

NOTE

Effective 1 April 1981 the People's Republic of China volume of the DAILY REPORT will be renamed China. As of that date, material from Taiwan media will be published in the same volume as material from the PRC. All items taken from Hong Kong media which deal with the PRC will also be published in this volume. This change is being made for the convenience of analysts who prefer that these materials appear in a single volume rather than in two volumes as heretofore.

DAILY REPORT

People's Republic of China

Vol 1 No 060

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HAIG WARNING ON SOVIETS, POLISH SITUATION

OW300716 Beijing XINHUA in English 0704 GMT 30 Mar 81

[Text] Washington, 29 Mar (XINHUA)--U.S. Secretary of State Alexander Haig said today that the United States is "watching very very carefully" the situation in Poland because of the "heightened state of readiness" of Soviet forces at this moment. "Any application of force in the internal affairs of the Polish people could have unforeseen and most dangerous consequences," he warned. Appearing on NBC-TV's "Meet the Press" program, Haig said, "We've been watching the situation with a stepped-up intensity in recent hours and the situation is still very, very tense." He repeated that Soviet intervention is neither imminent nor inevitable. But he said, "I do believe that that varies hour to hour by various postures taken by Soviet forces. And at this moment, that posture is at a heightened state of readiness, with communications in place, and with some indications of increased posturing which could lead to that (military intervention)."

He indicated that there has not been a movement of Soviet forces into Poland as part of the recent exercises but he said "there were some adjustments especially with sophisticated communications capabilities, some of which are occurring without the participation and cognizance of the Polish military forces, which is a worrisome sign, in the first instance." Most of the worrisome signs however, he said, "involve readiness measures being taken along the Baltic military region, in Eastern Germany, and in some of the other satellite states."

The secretary holds that the Soviet grain embargo should not be lifted at this moment. Lifting the embargo at the juncture "could send out very delirious signals in the context of our ability to manage East-West relations and the Polish issue specifically," he said.

Responding to a question on U.S.-Soviet relations, Haig said, "The simple facts are that we are in competition in a number of fundamental areas and that will result in competition and confrontation for the period ahead. What is important is that our Soviet partners in this duality at long last recognize that they must abide by international rule of law and not indulge in the kind of illegal interventionism that they have been indulging in in the period past, at an increasing level and with great dangers to world peace."

Haig described U.S. relations with its European allies as having "never been as good or as promising as they are today." He pointed out that there are the same pacifist sentiments in the United States as in Europe. He noted that it is the policy of the United States to work quietly with its friends and allies in Europe to try to "develop a consensus of concern about the threats facing us all."

DEFENSE SECRETARY ON SOVIET THREAT TO POLAND

OW300736 Beijing XINHUA in English 0723 GMT 30 Mar 81

[Text] Washington, 29 Mar (XINHUA)--Secretary of Defense Caspar Weinberger declared today that the United States is concerned about the extended military maneuver by Soviet and other Warsaw Pact troops in and around Poland. "A maneuver of that kind provides a perfectly good cover, or springboard for an invasion," he said. The continuation of this military maneuver, he said, "constitutes a continuing kind of a form of coercion or threat to Poland." In an interview on ABC News' "Issues and Answers" program at noon today, Weinberger cautioned that an invasion by the Soviets, either direct or indirect, would have grave consequences.

Asked about possible U.S. response to a Soviet invasion, Weinberger said, "Suffice it to say that they cover a broad spectrum of activity, political, economic, diplomatic, all designed to convey to the Soviets the extreme gravity with which this would be viewed."

"This is much closer to the central front in Europe. This would mean invasion-type activities very close to the borders of members of NATO, and no one should misunderstand that it would be a very serious, grave step by the Soviets," he said.

A Soviet invasion, he said, "would end any possibility of any useful or effective kind of arms limitation or disarmament talks," because "it would be apparent to all that there just wouldn't be any use in talking or sitting around the table trying to negotiate with a country that would take such actions as the Soviets in the event of an invasion." He also said the foreign and defense ministers of NATO countries he talked to in the last couple of months are unanimous in the view.

Weinberger has been vigorously opposed to ratification of the Salt Two treaty with the Soviet Union. Speaking of the reasons, he said that the treaty was "totally ineffective in limiting or effectively reducing the Soviet abilities on strategic arms. I thought that it left them in a position of potential superiority, and it left them without effective limits." The secretary believes that attempt to reach an effective limitation of strategic arms is "an extremely valuable and vital one." He expressed readiness to engage in the process if the Soviets "don't demonstrate by their behavior that it's perfectly useless to engage in it."

In his view, Weinberger said, the United States needs a new and strengthened missile because the Soviets have "so enormously strengthened and improved" the accuracy of their ballistic missile system.

On the same day, Chairman of the Senate Foreign Relations Committee Charles Percy (R-Ill.) said that the U.S. Congress would stand behind the President in the event of a move by the Soviet Union into Poland. The administration and the Foreign Relations Committee are in close accord on this question and are in constant contact, he said.

REAGAN ON POLAND, BREZHNEV PROPOSAL FOR TALKS

OW291242 Beijing XINHUA in English 1215 GMT 29 Mar 81

[Text] Washington, 29 Mar (XINHUA)--U.S. President Ronald Reagan said that his administration is watching the situation in Poland closely. In an interview with the Washington POST published today, President Reagan said he would not lift the grain embargo against the Soviet Union. The embargo "is something I would dearly love to be able to lift, but the very situation we've been talking about, Poland, the entire international situation is such that I at this moment do not see where we could lift it without sending a wrong signal," he said.

On the Soviet-proposed summit meeting, Reagan said a summit would have to be preceded by full consultation with the allies of the United States and he had no time frame in mind. "I think it's far too early for that." "I haven't said no, I've just said that's down the road a bit," he added. "I have made it plain that such talks when they do take place should involve not just limiting ourselves to arms reductions or theater forces and so forth," he said. "I think the whole matter of the imperialism of the Soviet Union, their expansionism, must be a matter for discussion," he added. "Are they willing to sit down and talk about how we can eliminate the difference, reduce the threshold of danger from strategic weapons, respect the right of people to self-determination in their countries and so forth?" he asked.

Reagan said he has received no indication, other than Soviet President Leonid Brezhnev's nine-page invitation to a summit meeting, that the Russians are willing to give up anything in exchange for peaceful relations with the United States.

U.S. CONCERNED ABOUT SITUATION IN POLAND

OW280117 Beijing XINHUA in English 0102 GMT 28 Mar 81

[Text] Washington, 27 Mar (XINHUA)--State Department spokesman William Dyess told reporters today the extended manoeuvres by the Soviet Union and its Warsaw Pact allies in and around Poland "can only exacerbate the tensions in that area" and that the United States continues to monitor the situation closely. "The situation is now more tense than it was," he said. He said however that there is no evidence of "large scale ground force movements in or near Poland" and it "continues to be our view that the intervention in Poland is not imminent nor inevitable."

He stated the United States had communicated officially to the Soviets and Poland the statement issued by the White House yesterday which said any external intervention in Poland could have a grave effect on the whole course of East-West relations.

The United States has consulted "extensively" with its allies on contingencies and the State Department itself is in the process of setting up a Polish watch group, the spokesman declared.

Earlier today various quarters of the Reagan administration have indicated grave concern about the continued possibility of Soviet intervention in Poland. Secretary of State Alexander Haig this morning described the situation there as "very serious" and the coming weekend as "crucial." Defense Secretary Caspar Weinberger also said that the continuation of the manoeuvres caused "serious concern." "If they do invade," he said, it would "end any possibility" of arms control talks with the Soviet Union on any level, whether on strategic limitations or the reduction of weapons in Europe. A variety of options are being considered by the United States and its allies in the event of Soviet military intervention in Poland, he said. The President's counselor Edwin Meese and White House chief of staff James Baker appearing on TV programs this morning also expressed grave concern about the situation in Poland. Meese said the administration has made contingency plans and would take "appropriate action" if the Soviet Union intervenes.

U.S. PAPER ON SOVIET THREAT TO LATIN AMERICA

OW291517 Beijing XINHUA in English 1505 GMT 29 Mar 81

[Text] Beijing, 29 Mar (XINHUA)--American newspaper the Boston GLOBE in an editorial yesterday exposed Moscow's increased penetration of Latin America to advance its global hegemonism. The editorial entitled "Latin American Realities" said, "Russian penetration of Latin America exists, as part of that superpower's emerging global designs, and takes several forms."

It said, "It is true that Russia in the last decade has used Cuba as a Trojan horse suited to increasing Soviet strategic penetration of Latin America (although some of Moscow's most important gains have been accomplished without Havana's help)." It added, "Using Cuban facilities, the Soviet Navy has developed a capacity to harass shipping lanes in both the North and South Atlantic. In times of crisis, the ferrying of troops toward Europe as well as the shipment of oil to this country could be disturbed, or even interdicted. At the least, Russian naval advances in this hemisphere strengthen Moscow's military position elsewhere in the world."

It noted, "The Soviet Union has also engineered a dramatic increase in commerce with Latin America." "From the 1960's to the mid-1970's, the share of total Soviet credits going to Latin America increased from 2 percent to 25 percent." The purpose of these diverse modes of Soviet penetration is "to extend the Russians' sheer geopolitical power"--"their hegemonism," the editorial stressed.

RENMIN RIBAO EXPLAINS U.S. CRISIS MANAGEMENT TEAM

HK300647 Beijing RENMIN RIBAO in Chinese 28 Mar 81 p 6

[Answer to a reader: "The Crisis Management Team and Crises"]

[Text] Question: "Reagan has appointed George Bush as chairman of the crisis management team. What is this setup like? What is termed a crisis?" [Signed] reader Lin Yiting

Answer: The U.S. crisis management team is a fairly complicated setup. Its most important standing office is the Situation Room in the White House. After the Cuban incident in 1961, the State Department established a "Special Operations Center." The National Security Council, which was established under the 1947 "National Security Act" set up a special operations team to cope with crises. Now Reagan has said that every administration of the U.S. Government has had a crisis management team, which is an organ of the National Security Council. In the past, this team was led by the national security advisers. Now Vice President Bush has been appointed chairman of the team.

In explaining that his new role will not clash with Haig's duties as formulator of U.S. foreign policy, Vice President Bush said: "In a sudden crisis or national emergency, I'll join him in coordinating and controlling various departments." But he added, "In the absence of the President, I will take charge of the Situation Room until I get in touch with President Reagan."

After reaffirming Haig as his chief foreign affairs adviser and chief foreign policy formulator and spokesman, President Reagan also said: "I believe that in my absence, it is more appropriate to let the vice president take up this responsibility (handling crises)."

The White House press secretary has announced that the crises to be handled by this team are "emergency conditions at home and abroad," including "everything from an isolated terrorist attack to an enemy country's invasion of U.S. territory."

In answer to the question about what was considered a crisis, Bush said: "This chiefly depends on the President's judgment." But in concrete terms, he said that such situations as Poland and El Salvador, and other international disputes, were not included in his list of crises, and that the handling of such matters was within the province of the State Department.

FORD HINTS AT INVITATION TO ZHAO ZIYANG TO VISIT

OW270240 Hong Kong AFP in English 0204 GMT 27 Mar 81

[Text] Beijing, 27 Mar (AFP)--Visiting former United States President Gerald Ford hinted here today that he had invited Chinese Premier Zhao Ziyang to visit the U.S. Speaking at a breakfast hosted by the American Residents Club in Beijing, Mr Ford did not give a negative answer when questioned on such a visit: "I do hope that in the next year or more we can have an exchange of visits"--with a Chinese leader going to the U.S. and an American presidential trip to China.

His statement came shortly before leaving Beijing for Tokyo after a six-day visit to the People's Republic during which he held talks with Premier Zhao and China's paramount leader Deng Xiaoping.

The former U.S. president who returned here today after a cruise down the Yangtze River, said he was "absolutely confident" that the U.S. and China had "the capability to reach a satisfactory solution" on their disagreement over U.S. arms sales to Taiwan. Without going into details, Mr Ford said that he had discussed this issue during his talks in Beijing. He arrived here Sunday with a message from President Ronald Reagan to Chinese leaders. He stressed that the administration in Washington had not made a decision on the delivery of American fighter planes to Taiwan.

China is firmly opposed to any U.S. arms sales to the Nationalist Chinese government in Taiwan.

Mr Ford said he was also "confident" about increased Sino-American military cooperation, but again, he did not go into details on what he had discussed in Beijing on this.

PRC, U.S. ECONOMISTS DISCUSS THEORIES AT SYMPOSIUM

OW271525 Beijing XINHUA in English 1512 GMT 27 Mar 81

[Text] Hangzhou, 27 Mar (XINHUA)--A plea for more attention to management sciences in China was made at today's session of the world economy symposium here by Yu Guangyuan, vice-chairman of the Chinese Academy of Social Sciences. Different from the natural and technical sciences, these so-called soft sciences "help us to recognize scientific problems worth scrutiny arising in the course of economic and social development," Yu Guangyuan said.

He stressed the importance of finding the most rational or optimum methods of satisfying the needs of society and make the correct decisions. The prime objective, economic and social, of China as a socialist state, he went on, "is to satisfy the material and cultural needs of our people and make them contented." Some of the broad fields he mentioned were sciences dealing with decisionmaking, acquisition and dissemination of information, and management skills. He drew attention to the substance and methods of management under socialism which he defined as "coordination of relations between people on the basis of socialist principles."

The human element in production, he said, is "vitally important." To obtain the desired results, he went on, "it is necessary not only to prescribe tasks according to the circumstances of society as a whole, but also to bear in mind each person's specific situation. The work requirements set should take into account both these aspects if work efficiency is to increase and human potential is to be tapped to the full." China's need for scientific and technological advance was not for "any kind of random progress" but for one that "will contribute positively to the actual circumstances of China's economic and social development," Yu Guangyuan stated.

Dr William F. Miller, co-chairman of the symposium from the American side and president of the Stanford Research Institute International, concentrated on international scientific and technological cooperation. He saw a need to make effective use of science and technology based on the capacity of economic systems to use them satisfactorily. Critical to this at present was solving "urgent problems of energy-saving and energy-supply," he said.

There was a problem, he went on, of coordination between industrial and developing countries. Transfer of know-how, he said, "is probably the most important aspect of technology transfer in general." However, he warned, "unless combined with a policy aimed at strict self-sufficiency, modernizing the economy in the Eastern countries is bound to heighten the need of Western technology." An increase in the flow of technology required an increase of exports from East to West. "It is clear," Dr Miller said, "that the 'bottom-line' will be the success of the developing countries in utilizing Western originated technology in ways that will meet their national objectives over the long run." The symposium is scheduled to close tomorrow.

SPOKESMAN ON DEVELOPING RELATIONS WITH PAKISTAN

OW281222 Beijing XINHUA in English 1201 GMT 28 Mar 81

[Text] Washington, 27 Mar (XINHUA)--The Reagan administration, emphasizing what it sees as the strategic importance of Pakistan, has begun efforts to build a "new, durable relationship" with that country. State Department spokesman William Dyess confirmed today that the U.S. ambassador in Islamabad has just completed his first round of consultations with Pakistan which he said "have laid the foundation for a durable bilateral relationship."

The United States and Pakistan have agreed to move "at a measured pace" to develop a "solid long term relationship we both desire," he said. "In our view," the spokesman said, "a secure and confident Pakistan would contribute to the overall security of the subcontinent." The Pakistan foreign minister has been invited to come to Washington to continue the talks.

On Pakistan's military purchases from the United States, Dyess said "We will be discussing this matter in more detail and are prepared to be helpful and responsive to their needs."

This administration believes that strengthening Pakistan is necessary as the Soviets continue to occupy Afghanistan, and is very important to creating a framework of regional security in an area vital to U.S. interests.

Administration officials and congressional sources disclosed that the administration has tentatively decided to offer Pakistan about \$500 million in military and economic assistance for the next fiscal year. This figure is more than twice the amount offered by the previous administration but rejected by Pakistan as insufficient. Of the \$400 million military credits, more than half would be granted at interest rates much lower than are now charged.

In a testimony before a second House subcommittee, Jane A. Coon, deputy secretary of state for Near East and South Asian affairs, said that the administration is "deeply concerned" over the security of Pakistan which "is now a 'frontline' state facing 85,000 Soviet soldiers across its border in Afghanistan." "Pakistan's strategic location, at the eastern flank of the Persian Gulf, makes it very important that we and our allies undertake a major effort to help Pakistan resist Soviet pressures and to become stronger and more self-confident."

TALKS REQUESTED ON DOWNGRADING NETHERLANDS' TIES

OW281839 Beijing XINHUA in English 1831 GMT 28 Mar 81

[Text] Beijing, 28 Mar (XINHUA)--Assistant Minister Song Zhiguang of the Chinese Foreign Ministry has proposed that China and the Netherlands enter into negotiations here before the end of March to downgrade Sino-Netherlands relations. It was learned that the assistant minister also requested the Netherlands Government give a prompt answer.

Song Zhiguang summoned B. de Bruyn Ouboter, charge d'affaires ad interim of the Netherlands Embassy here, and told him that in view of the fact that the Netherlands Government's decision to approve the submarine deal with Taiwan had violated the principle set forth in the 1972 communique on upgrading Sino-Netherlands relations, the Chinese Foreign Ministry sent notes to the Netherlands Embassy in China on January 19 and February 27, 1981, demanding that diplomatic relations between the two countries be downgraded to the level of charge d'affaires office and proposing that negotiations on the matter be held as soon as possible. Over two months have passed since the first note was sent to the Netherlands side, but no answer has been received. The Chinese Government hereby expresses its regret over the undue delay.

GU MU, DELEGATION TO ATTEND EEC-PRC TRADE WEEK

OW280742 Beijing XINHUA in English 0727 GMT 28 Mar 81

[Text] Beijing, 28 Mar (XINHUA)--Vice-Premier Gu Mu told XINHUA today that the coming EEC-China trade week would open new avenues for economic cooperation and trade between the two sides. The vice-premier will leave Beijing for Brussels this evening as head of a Chinese delegation attending the trade week which opens on March 30. He said that the trade week was sponsored by the two sides and reflected their common desires and interests. He added that China's policy for actively expanding economic cooperation with foreign countries would not change during the period of economic readjustment.

For the time being, he went on, China's economic readjustment may affect expansion in some respects. During this period, however, agriculture and light industry would be greatly expanded. A number of big projects would be built in such sectors as energy, harbours and railways, and vast numbers of old enterprises, particularly those in light industry, would undergo technical transformation. "In this endeavour," Vice-Premier Gu Mu stressed, "we are ready to cooperate in different ways with the EEC and other friendly countries."

At the trade week, he said, the Chinese delegation would deliver reports on China's economic readjustment, on economic cooperation and trade with other countries, on the prospects for China's foreign trade and on the country's policy on accepting foreign investments.

Airport Departure

OW281633 Beijing XINHUA in English 1616 GMT 28 Mar 81

[Text] Beijing, 28 Mar (XINHUA)--A Chinese delegation headed by Vice-Premier Gu Mu left here by air this evening for Brussels to attend the opening of the European Economic Community (EEC)-China trade week. Later, Vice-Premier Gu Mu will pay official friendly visits to Luxembourg and Spain.

The trade week, jointly sponsored by the European Economic Community and the Chinese Government, is scheduled to run from next Monday until April 10. EEC and Chinese officials will discuss China's exports to the EEC and the introduction of sophisticated techniques and key equipment to China with European loans. The Chinese delegation is composed of leading members of economic departments, trade officials of Chinese Embassies in EEC countries, and representatives from Chinese corporations, the Bank of China and some factories.

Deputy leaders of the delegation are Wei Yuming, vice-minister in charge of the State Administrative Commission on Import and Export Affairs; Jia Shi, vice-minister of foreign trade; and Fu Zihé, vice-minister in charge of the State Planning Commission. The delegation was seen off at the airport by Vice-Premier Chen Muhua and other leading officials as well as diplomatic envoys to China from various countries concerned.

China and the European Economic Community established official relations in 1975 and signed a trade agreement in 1978. Trade between China and the EEC totalled about \$5,000 million last year. China's exports amounted to \$2,300 million.

Arrival in Belgium

OW291550 Beijing XINHUA in English 1542 GMT 29 Mar 81

[Text] Brussels, 29 Mar (XINHUA)--A Chinese delegation to EEC-China business week headed by Gu Mu, Chinese vice-premier, arrived here this afternoon.

This is the first time that China sent such an important 99-men delegation to attend business activities abroad since the founding of the People's Republic of China. It shows that while readjusting its economy China is still willing to continue to strengthen and expand international economic cooperation.

Vice-Premier Gu Mu and his party were greeted at the airport by Haferkamp, vice-president of the Commission of the European Community, and other senior EEC officials, as well as Chinese Ambassador to Belgium Zhen Weizhi.

The EEC-China business week is to take place here from March 30 to April 10. It is aimed to provide the authorities and businessmen from both sides with an opportunity to exchange views and search for new trade cooperation and investment outlets in medium and long terms. As members of the delegation, Chinese commercial counsellors to the ten EEC countries as well as representatives of Chinese corporations to Paris, London and Hamburg successively arrived here earlier.

Gaston Thorn's Comments

OW281254 Beijing XINHUA in English 1239 GMT 28 Mar 81

[Text] Brussels, 27 Mar (XINHUA)--Gaston Thorn, president of the European Economic Community (EEC) Commission, today expressed the hope that the "week of EEC-China trade" soon to be held here will serve to promote the relations between the EEC and China.

In written answers to XINHUA correspondents here on the eve of the opening of the trade week, Gaston Thorn said that the holding of the trade week "is a manifestation of the intention to strengthen their relations and of mutual trust in future." "It is a feasible way for both sides to begin deep-going trade negotiations and to explore with precision new forms and possibilities of trade and cooperation in future," he noted. In his written answers, Thorn reviewed the development of China-EEC trade relations. He paid tribute to the Chinese Government and people for their effect to readjust and develop their national economy, saying "The EEC is following this Chinese move with sympathy and wish the great Chinese people prosperity and happiness in peace."

SOCIAL DEMOCRATIC PARTY FORMED IN BRITAIN

OW271551 Beijing XINHUA in English 1538 GMT 27 Mar 81

[Text] London, 26 Mar (XINHUA)--A new political party called the Social Democratic Party (SDP) was formally launched at a press conference here today. It claimed to have received pledges of support from more than thirty thousand people, including some members of Parliament.

The launching of the SDP, which observers believe may break the pattern of Britain's Labour-Conservative electoral game, has drawn wide public attention.

Founding members of the new party, who presided over the launching today, were four senior Cabinet ministers in Britain's last Labor government: former Foreign Secretary David Owen, former Education Secretary Mrs Shirley Williams, former Chancellor of the Exchequer and ex-President of the EEC Commission Roy Jenkins, and former Transport Secretary William Rodgers. The new party has recruited 13 Labor MP's and one Conservative MP in the House of Commons in addition to 18 MP's in the House of Lords. It is the third largest party in the lower house--behind the Conservatives and Labor and ahead of the Liberals.

The formation of the SDP came largely as a development resulting from an intensified strife inside the Labor Party and dissatisfaction with the existing socio-economic politics of the Conservative government. The internal strife in the Labor Party, which has intensified since it lost power in 1979, surfaced at a party conference earlier this year when "moderates" represented by David Owen took exception to a resolution adopted at an annual party convention last year. They denounced the resolution for committing the party to Britain's withdrawal from the EEC, unilateral nuclear disarmament and widespread nationalization of industry. They also criticized the left-wing forces of the party for changing the original stand of the party by dominating its leading organs. The launching of the new party followed the founding of a "Council for Social Democracy" almost two months ago.

Recent opinion polls indicated that if the SDP competed in the 1984 general elections in alliance with the Liberal Party, it would have a chance of winning the majority position in the House of Commons. The founding of the party is thus widely regarded here as a significant development in British politics.

At the founding news conference this morning, the founders presented a policy statement entitled "Twelve Tasks for Social Democrats." The 12-point platform urged "a mixed economy" in which public and private firms should flourish side by side, a "flexible" income policy, encouragement to small and medium-sized businesses which provide job opportunities, more effective power of Parliament over government departments, a reform (but not abolition) of the second chamber, a "practical and acceptable" devolution of power "to the nations and regions of Britain" and a welfare state which "should be less bureaucratic".

On foreign policy, the platform advocated that "Britain should cooperate in the world and not retreat into sour isolation." "We need our friends in a dangerous world, which means playing our full part in the European Community and in NATO, vigorously pursuing multilateral but not unilateral disarmament," it said.

In their replies to questions at the press conference, David Owen and the three other joint founders of the SDP further elaborated on the party lines. But a full party programme still has to be worked out at a party conference.

The four leading members of the party declared that they would form a collective leadership before a party election was held. They also announced the establishment of a 15-member steering committee led by Mrs Williams and a 14-member parliamentary committee chaired by David Owen. Asked about the nature of the party, they said it was not a centre party but a "centre left party."

UK SPOKESMAN WARNS SOVIETS ON POLISH INTERVENTION

OW280720 Beijing XINHUA in English 0707 GMT 28 Mar 81

[Text] London, 27 Mar (XINHUA)--"Intervention by force in Poland's affairs would have the most serious consequences for East-West relations. It would mean the end of detente," Britain warned the Soviet Union today.

Asked to comment on the current situation in Poland at a briefing today, a spokesman for the British Foreign Ministry said the British Government had stated many times that "the Poles should be allowed to solve their difficulties without outside interference of any kind." Britain is watching very closely the developments in Poland, he added. "There would be a strong Western reaction which could include both political and economic measures," the spokesman stressed.

REPORT ON BRITISH INTELLIGENCE CAUSES UPROAR

OW281638 Beijing XINHUA in English 1620 GMT 28 Mar 81

[Text] London, 27 Mar (XINHUA)--A DAILY MAIL exclusive report on March 23 alleging that former head of the British counterintelligence service (MI 5) Sir Roger Hollis might have been a Soviet spy, caused a mighty uproar inside and outside the Parliament here this week and prompted Prime Minister Margaret Thatcher to take up the matter personally. She denied the allegation at the House of Commons yesterday afternoon in an attempt to calm down the uproar and save the credibility of Britain's secret intelligence service.

The DAILY MAIL story, based on a new book "Their Trade Is Treachery" written by its veteran defense correspondent Chapman Pincher, says that Hollis, who was director of MI 5 from 1956 to 1965 and died in 1973, was strongly suspected of having worked for the Soviet KGB for 30 years. The author wrote the story in accordance with the information that after he retired, Hollis was interrogated twice about his past life related to the suspicion of being a Soviet spy.

Reacting sharply to the report, several members of the Parliament had immediately called on the government to open a parliamentary investigation. Labour Party MP Dennis Canavan was quoted by Western news agencies as saying that "if this is true, it's quite appalling. There is a great deal of public concern about the way in which our so-called security services are operating after the Blunt scandal." (Anthony Blunt, a former MI 5 operative and Queen Elizabeth II's art adviser, was discovered as a Soviet spy in 1964 and was publicly disgraced in 1979) He asked the prime minister to clarify the matter and make a statement.

In response to the public concern and questions in Parliament, Mrs Thatcher called for a full report on March 23 shortly before she left for the Netherlands to attend the EEC summit, and ordered a "major investigation at the highest level." Four days later, she told the Parliament that an investigation carried out soon after Hollis' retirement had concluded that "he had not been an agent of the Russian intelligence service" and that a new inquiry conducted in 1974 by Lord Trend, one of Britain's most senior officials, also arrived at the same conclusion. However, the prime minister announced at the same time that a special commission would be set up to review security procedures and practices in Britain. She also stressed the necessity of guarding against Soviet penetration.

The reason why people in this country were deeply concerned about the case was that Hollis might have been a Soviet agent as alleged. They were also worried about the functioning of the country's security services. A series of facts have shown that after World War II, a number of British senior intelligence service officials had been recruited by the Soviet intelligence service. In addition to the said Blunt case, for instance, Harold Kim Philby, Guy Burgess and Donald MacClean--these three had worked at the British Embassy in Washington and other key diplomatic posts--had been proved as Soviet spies. In his book, Pincher also mentioned that the late Tom Driberg, once Labour Party chairman, was a double spy working for British and Soviet intelligence service and some other Labour Party MPs were suspected of being Soviet agents.

Although Mrs Thatcher denied the allegation against Hollis, she admitted however that as a result of the investigations into the cases of Philby and Blunt, there was a reason to suspect "a few others."

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

VICE PREMIER JI PENGFEI MEETS UK JOURNALIST GROUP

OW281304 Beijing XINHUA in English 1255 GMT 28 Mar 81

[Text] Beijing, 28 Mar (XINHUA)--Vice Premier of the State Council Ji Pengfei met and had a friendly talk here this afternoon with Anthony Miles, general director of the DAILY MIRROR Group of Britain, Mrs Miles, Michael John Molly, editor-in-chief of the DAILY MIRROR, and Mrs Molloy. The four are here on a visit at the invitation of the All-China Journalists' Association.

FRANCE, EGYPT SIGN NUCLEAR ENERGY AGREEMENT

OW280832 Beijing XINHUA in English 0826 GMT 28 Mar 81

[Text] Paris, 27 Mar (XINHUA)--France will build two nuclear power stations for Egypt, according to an agreement on cooperation in the peaceful use of nuclear energy signed by the two countries here today. Under the agreement, signed by French Minister of Industry Andre Giraud and Egyptian Minister of Electricity Mahir Abaza, Egypt will pay 10 billion francs in cash for the construction of the two stations, each with a generating capacity of 1,000 megawatts. It hopes that the stations would be put into operation in 1985 and 1986 respectively. The two countries also signed a protocol on the training of Egyptian technicians to run the stations.

FRG'S GENSCHER OPPOSES INTERFERENCE IN POLAND

OW281250 Beijing XINHUA in English 1232 GMT 28 Mar 81

[Text] Bonn, 27 Mar (XINHUA)--The West German Government is opposed to any outside interference in the internal affairs of Poland, declares West German Foreign Minister Hans-Dietrich Genscher in an article made public here today. In the article, Genscher urged all countries not to interfere in the internal affairs of Poland, either directly or indirectly. He called on the Western countries to give Poland more financial and food assistance as rapidly as possible. "These steps could provide an economic basis for political stability there," he started.

Bonn spokesman Kurt Becker also stressed the importance of aid to Poland at a press conference today. He said West Germany would extend all possible aid to that country.

A spokesman of the West German Foreign Ministry today reiterated that the warning voiced by NATO foreign ministers in December last year against possible Soviet intervention in Poland still held good.

FRG'S SOCIAL DEMOCRATS REJECT BREZHNEV PROPOSAL

OW281252 Beijing XINHUA in English 1235 GMT 28 Mar 81

[Text] Bonn, 27 Mar (XINHUA)--A resolution to reject Soviet leader Brezhnev's recent proposal for a moratorium on medium-range nuclear arms deployment in Europe was adopted by the West German Social Democratic Party at a two-day executive committee meeting ending here today. The SDP stressed instead the necessity of implementing NATO's resolution, adopted in December, 1979, calling for armament control talks with the Soviet Union while renovating medium-range nuclear arms in West Europe.

The resolution said that European security dictates the need for a progressive balancing of power from the lowest possible level. "Security is possible only when it is based on the (Atlantic) alliance and its resolutions," it said. In view of obvious Soviet superiority in medium-range nuclear weapons, the resolution said, a moratorium on their deployment in Europe is out of the question and the Brezhnev proposal should be subject to "necessary modification and amendment."

FARMERS IN FRG DEMONSTRATE FOR HIGHER PRICES

OW280726 Beijing XINHUA in English 0714 GMT 28 Mar 81

[Text] Bonn, 27 Mar (XINHUA)--More than 25,000 farmers from all over West Germany demonstrated here yesterday to press their demands for food price increases. Speaking at a rally, president of the West German Farmers Association Constantin Freiherr von Heereman called on the European Community agricultural ministers to raise food prices by some 15 percent. He opposed the European Community Commission's proposal of a 7.8 percent increase, in view of the overall 12 percent rate of inflation in the European community. Heereman said right now a farmer earns on the average 30 to 40 percent less than an office or factory worker.

BELGIAN GROUPS PROTEST SOVIET ACTION IN AFGHANISTAN

OW290837 Beijing XINHUA in English 0824 GMT 29 Mar 81

[Text] Brussels, 28 Mar (XINHUA)--Political parties and social organizations in Belgium held a demonstration here today to protest against the Soviet invasion of Afghanistan. More than 1,200 protesters marched in the streets carrying placards inscribed with the words: "Soviet troops withdraw from Afghanistan with no delay," "no foreign intervention of any kind in Afghanistan," "freedom to the Afghan people." The protesters held a news conference prior to the demonstration to denounce the Soviet invasion of Afghanistan, stressing that the people of various countries have the right to decide their own affairs.

SWEDISH RED CROSS GROUP DEPARTS BEIJING FOR XIAN

OW281306 Beijing XINHUA in English 1257 GMT 28 Mar 81

[Text] Beijing, 28 Mar (XINHUA)--The first delegation of the Swedish Red Cross Society to visit China left Beijing today to visit the country's ancient capital Xian. Led by the society's president, Matts Bergom Larsson, the delegation arrived in Beijing on March 23 at the invitation of the Chinese Red Cross Society. During their stay here, members of the delegation met with Qian Xinzong, president of the Chinese Red Cross Society. Qian Xinzong said, the Swedish society had not only worked for the protection of the health and social welfare of Sweden, but also made contributions to international relief work. He expressed his gratitude to the Swedish Red Cross Society, which provided relief to Indo-chinese refugees in China and to the people of earthquake-struck Daowu County in Sichuan Province. Larsson said the Swedish people had the duty to contribute their help to people affected by disaster.

GREECE, U.S. BEGIN MILITARY EXERCISE 27 MARCH

OW271619 Beijing XINHUA in English 1605 GMT 27 Mar 81

[Text] Athens, 27 Mar (XINHUA)--A week-long military exercise by U.S. Marines and Greek naval units began today in the Gulf of Lakonikos, southern Greece. For the Greek naval units, their mission is "to familiarize themselves with modern amphibious equipment." Greek officers from the three services are following the manoeuvres as observers "to acquire knowledge regarding the tactical and technical use of modern armaments with which Greece has been supplied."

TURKISH NAVAL FORCES HOLD PREPAREDNESS EXERCISE

OW281248 Beijing XINHUA in English 1230 GMT 28 Mar 81

[Text] Ankara, 28 Mar (XINHUA)--The Turkish naval exercises codenamed "Duty Number One--81" concluded yesterday in the Marmara and Aegean Seas. The Marmara and Aegean Seas are the waterway from the Black Sea to the Mediterranean Sea. Taking part in the exercises which started on March 23 were Turkish surface vessels, submarines, naval patrol aircraft and helicopters. According to Turkish military sources, the aim of the exercises is to develop Turkish Navy's preparedness in national defence.

RENMIN RIBAO COMMENTARY ON SITUATION IN POLAND

OW290718 Beijing XINHUA Domestic Service in Chinese 0712 GMT 29 Mar 81

["Text" of RENMIN RIBAO 29 March Commentary on situation in Poland]

[Text] On March 27, the independent "Solidarity" trade union of Poland organized a 4-hour warning strike in the country's major cities, demanding an investigation into the truth of the Bydgoszcz incident and punishment for the troublemakers. People of all strata in Poland believe they are fully capable of solving their internal problems through peaceful means, in view of the negotiations now being held between the government and the "Solidarity" trade union.

However, the Soviet authorities, taking advantage of the situation, have been threatening Poland with military intervention through its propaganda machine.

In an attempt to abet the Polish Government in suppressing the workers, therefore creating an excuse for Soviet intervention in the country, TASS attacked the leaders of the "Solidarity" trade union as "politic inciters," saying their actions were to force the government "to accept the anti-socialist and anti-people demands."

Soviet military officers participating in the Soviet-Polish military maneuver declared, through the Soviet paper KRASNAYA ZVEZDA, that the Soviet Army will coordinate with the Polish Army in fighting their enemies if necessary.

The joint military maneuver of the Warsaw Treaty Organization is continuing indefinitely in Poland, Czechoslovakia, East Germany and the Soviet Union. This sinister Soviet approach has made the situation in Poland extremely tense.

Such a development in the Polish situation has aroused grave concern all over the world. The White House issued a statement saying that any Soviet intervention in Poland could have a grave effect on the whole course of East-West relations. The U.S. Senate, Secretary of State Alexander Haig, Defense Secretary Caspar Weinberger and the 15 nations of NATO have warned the Soviet Union against its intention to suppress the Polish people by force. It is clear that all the peace-loving people the world over will never allow the recurrence of the Soviet military intervention against Czechoslovakia in Poland. The Soviet authorities deserve severe punishment should they dare take advantage of "detente" as a smokescreen and once again soak its banner of hegemony in the blood of the peaceful people.

With the Soviet threat imminent, we hope that the Polish Government and the Polish Solidarity trade union will calmly analyze the situation, seek a fair and reasonable solution to their problems through peaceful negotiation and consultation and give no chance to the interventionists, thus safeguarding Poland's national sovereignty and security. The situation is complicated. But so long as the Polish Government and people uphold their national interest and resist the enemy in unity, they can frustrate any heinous interventionists.

GOVERNMENT-UNION TALKS IN POLAND POSTPONED

OW271212 Beijing XINHUA in English 1201 GMT 27 Mar 81

[Text] Warsaw, 26 Mar (XINHUA)--The Polish Government and the Polish independent Solidarity trade union agreed to postpone for one day their talks scheduled for today, reported the Polish news agency (PAP) today. The Solidarity trade union has called a four-hour strike and a subsequent indefinite general strike tomorrow if no settlement is reached with the government authorities.

Wojciech Jaruzelski, chairman of the Council of Ministers, met Stefan Cardinal Wyszynski, head of Poland's Roman Catholic Church, here today. It was their first encounter since Jaruzelski took over as premier earlier this year. It was reported that their conversation ranged over all of Poland's domestic situation. They agreed that the nation's urgent problem was to ease social tensions speedily so as to avoid another strike.

Stanislaw Kania, first secretary of the Central Committee of the Polish United Workers' Party, today met with six Polish leading intellectuals representing the arts and sciences. According to PAP, the meeting expressed "deep worry about the deterioration of the situation" and stressed the need for a specially "thoughtful and responsible attitude on the part of all of Poland's social forces."

Solidarity union leader Lech Walesa told newsmen today that "a solution to the Polish situation must be found, for time is running short" and that "we are aware of the situation prevailing in the country and of the economic losses which could even get worse."

The Polish state radio said there was only enough food left in the country for 12 days.

A diplomatic source said here today that the heads of all West European diplomatic missions here were called to the Polish Foreign Ministry last night and asked for economic assistance and food.

The television here showed a film report of the Warsaw Pact military maneuver "Soyuz-81" in Poland and neighboring countries. The military exercise began last week.

POLISH WORKERS GO ON WARNING STRIKE

OW271911 Beijing XINHUA in English 1850 GMT 27 Mar 81

[Text] Warsaw, 27 Mar (XINHUA)--A four-hour nationwide warning strike was held throughout all major cities of Poland this morning. The strike, organized by the Polish Solidarity independent trade union, was touched off by the Bydgoszcz incident one week ago.

At eight am this morning, the workers in the cities such as Warsaw, Gdansk, Szczecin, Lublin and Wroclaw began to lay down their tools. Meanwhile, many buses came to a standstill. Members of the "Solidarity" trade union guarded the gates of iron and steel, machinery, automobile and chemical plants.

This is the biggest strike ever held since Wojciech Jaruzelski, chairman of the Council of Ministers, took office on February 11. Addressing the National Assembly the following day, Jaruzelski appealed to the trade unions and the working people to refrain from going on strike and make the next three months a period of labor peace. His appeal won the support of the public and the "Solidarity."

Then, the Bydgoszcz incident broke out on March 19 when some 200 unarmed police and plainclothes men were ordered to drive a number of union members out of the local people's congress. In the ensuing scuffle, some union members including Jan Rulewski, member of the Solidarity's national consultative commission and chairman of its Bydgoszcz chapter, were injured.

This touched off a wave of angry protests and warning strikes at some factories. To prevent the situation from worsening further, the government sent two missions to investigate what had actually happened. Through a government spokesman, Chairman Jaruzelski of the Council of Ministers stressed that dialogue was never so clearly necessary as at present and the Solidarity responded in a positive manner.

The Polish media expressed amazement and anxiety over the incident but urged the people to keep calm and not to stop working.

The government and the "Solidarity" held two rounds of talks on March 22 and 25 in a tense atmosphere. As a result of the failure of the first talk, the trade union announced on March 24 that it will organize two nationwide strikes on March 27 and 31. However it said the strike would be cancelled if the talks on March 25 achieved results. Because substantial questions failed to be discussed at the talks on March 25 and with the postponement of the March 27 talks, "Solidarity" trade union held the four-hour warning strike as scheduled. The situation now depends on the outcome of the negotiations going on between the Polish Government and the "Solidarity."

Speaking to the media, Stanislaw Kania, first secretary of the Central Committee of the Polish United Workers' Party, said yesterday that the party's line remained unchanged, which, since the start of the crisis, had called for a solution to the conflicts by political means. Meanwhile, Jaruzelski conferred with Bishop Stefan Wyszynski on how to ease social tension and prevent the strike which would sap the nation's economy further. They were agreed that the first thing to do is to make a full and objective appraisal of the Bydgoszcz incident and that the conflict and tension could be solved by peaceful means.

POLISH OFFICIALS, SOLIDARITY LEADERS RESUME TALKS

OW280724 Beijing XINHUA in English 0710 GMT 28 Mar 81

[Text] Warsaw, 27 Mar (XINHUA)--Polish Vice Prime Minister M. Rakowski and Solidarity trade union leader Lech Walesa resumed their talks here late this afternoon to discuss the government commission's report on the investigation of the Bydgoszcz incident. This was the third round of talks between the two sides. The first two rounds were held on March 22 and 25 without any result.

The two sides today had a preliminary exchange of views on the report submitted by the government commission appointed by Chairman of the Council of Ministers W. Jaruzelski. They have agreed that a deep-going discussion will be held tomorrow so as to reach an agreement as soon as possible and put an end to the latest crisis.

Vice Prime Minister Rakowski told reporters at the end of the meeting that they had decided to continue the talks tomorrow because both sides must allow each other time to study the report. He said he thought it natural to postpone the talks and was deeply convinced that every effort must be made to seek an agreement, to restore stability in the country and to eliminate conflicts fraught with danger. As to whether tomorrow's talks would be the last, he said, it depends on whether we are able to find a point of concurrence with the Solidarity leaders.

Walesa said that the postponement was due to the fact that they had only just had a rough discussion on the government commission's report. They had to be serious in deciding their own stand and it was difficult for them to work out a systematic and final decision today. Walesa expressed the hope that a solution beneficial to all would be found. "We should solve the problem," he said.

TALKS CONTINUE BETWEEN GOVERNMENT, SOLIDARITY

OW291216 Beijing XINHUA in English 1201 GMT 29 Mar 81

[Text] Warsaw, 28 Mar (XINHUA)--The government and "Solidarity" union negotiators agreed to set up mixed working groups to study the union's demands at their fourth round of talks held here today. "Solidarity" union leader Lech Walesa commented on the government report on the Bydgoszcz incident at their talks.

Speaking at a press interview after the talks, Mieczyslaw Rakowski, vice-chairman of the Council of Ministers who headed the government delegation, said he thought the talks had proceeded very well. In other words, they are probably getting near the ending of the conflict. The fifth round of talks is scheduled for March 30.

POLISH PARTY CENTRAL COMMITTEE MEETS 30 MARCH

OW301253 Beijing XINHUA in English 1213 GMT 30 Mar 81

[Text] Warsaw, 30 Mar (XINHUA)--The 9th plenary session of the Central Committee of the Polish United Workers' Party ended here this morning after a day's discussion of the internal tension, the party's stance toward the "Solidarity" and the party's task before the 9th party congress.

First Secretary Stanislaw Kania chaired the meeting and Kazimierz Barcikowski, member of the Political Bureau, and secretary of the Central Committee, delivered a report on behalf of the Political Bureau on "the basic issues of the internal situation and the party's task in making preparations for the 9th congress".

The meeting then discussed the report and adopted relevant resolutions, reaffirming the guideline to seek a political solution to social conflicts and authorizing the Political Bureau to take prompt and firm steps to get the country out of the present political, economic and social crisis. It was fixed that the special 9th congress of the party will be held before July 20, this year.

The meeting passed a vote of confidence in the Political Bureau and the Secretariat and called on the members of the two bodies to get into contact with party committees in major factories after the meeting.

EAST EUROPEAN MEDIA REACT TO POLISH SITUATION

OW300828 Beijing XINHUA in English 0758 GMT 30 Mar 81

[Text] Beijing, 30 Mar (XINHUA)--The renewed tension in Poland has evoked reactions in the German Democratic Republic, Czechoslovakia, Bulgaria and Hungary.

The newspaper NEUES DEUTSCHLAND of the German Democratic Republic carried an ADN dispatch from Warsaw on March 27, entitled "Solidarity Union Leaders Step Up Troublemaking," which says that the root cause of the ever increasing tension in Poland lies in the fact that the Solidarity union leaders have adopted a more and more antagonistic line. The paper, in its March 28-29 issue, quoted the Polish news agency PAP as saying that the so-called warning strike stirred up by the Solidarity trade union paralysed the whole country. It said that the Solidarity leaders have further deteriorated the economic situation in Poland in disregard of the fundamental interests of the country and the people.

In reporting the recent "Soyuz 81" military exercises organized by the Warsaw Pact, the GDR mass media have time and again stressed "the determination of all fraternal armed forces to rebuff imperialism" and repeatedly reported the warm welcome the Polish people gave to the troops taking part in the joint exercises.

On March 26, the Central Committee of the Communist Party of Czechoslovakia held its plenum ahead of time. Observers in Prague believed that this was closely related to the present Polish situation. Over the past few days, press, radio and television in Czechoslovakia have been reporting the latest developments in Poland and fiercely attacking the Solidarity trade union.

The Czechoslovak Communist Party organ RUDE PRAVO reported on March 28 the warning strike in Poland under the title "Tension in Poland Aggravated" and an on-the-spot report by its correspondent in Warsaw. The paper said that "the tense situation (in Poland) can not be relaxed and settled" under the circumstances of strikes. The paper called the Solidarity union "political troublemakers obstructing the country from extricating itself from serious political-social crisis." Czechoslovak television has repeatedly shown the "Soyuz 81" military exercises in Poland and its neighbouring countries.

Another Czechoslovak paper PRACE also attacked the Solidarity union as not hesitating in doing everything to oppose socialism and even "seeking help from the sworn enemies of Poland and other socialist countries." The paper said in a commentary on March 27 that the Solidarity leaders aim to "undermine socialism" and are not working for the "happiness of the Polish working people."

On March 27, Bulgarian newspapers carried a Warsaw report by the reporter of the BULGARIAN TELEGRAPH AGENCY which said, "The Polish people have again found themselves in an atmosphere of tension and lacking in security for tomorrow as the union leaders declared new strikes."

The report said, "Many (Polish) labour collectives in their telegrams or statements have expressed support for the socialist renaissance and for the government policy to normalize the social, political and economic life in the country."

All the newspapers in the Bulgarian capital on March 28 carried excerpts or the full text of a report on the Polish situation by the Soviet news agency TASS on March 27.

The Central Committee of the Hungarian Socialist Workers' Party met in a plenary session on March 26 at which the current international situation and "some urgent problems of domestic political life" were discussed.

A communique published by the party on March 28 said that Hungary "has been watching with concern the complex and serious situation in Poland, which threatens the achievements of the Polish people and the basic structure of their socialist system." "Our party and people believe that the communists, supporters of socialism and genuine patriots in Poland have sufficient strength to defeat the overt attack of the antagonistic and anarchic forces and to restore order so as to guarantee the development of socialism," said the communique.

The session also heard a report on the meeting between Janos Kadar and Stanislaw Kania, the first secretary of the Polish United Workers' Party, the communique said.

ROMANIAN COMMUNIST PARTY VIEWS POLISH SITUATION

OW271631 Beijing XINHUA in English 1618 GMT 27 Mar 81

[Text] Bucharest, 28 Mar (XINHUA)--The Romanian Communist Party holds that the Polish situation should be solved by the Polish people themselves and brooks no interference from outside. This stand of the Romanian Communist Party was contained in a resolution on the foreign policy of the Romanian party and the state which was adopted at the plenary session of the party's Central Committee on March 25. The resolution was published by all newspapers in the country today.

The resolution said the plenary session fully endorsed the stand taken by the party's General Secretary Nicolae Ceausescu at the meeting of the party and state leaders of the Warsaw Pact countries last year.

The session also endorsed the party's principled stand on the Polish situation and supported the Polish Communist Party as well as the Polish working class and people in coping with the difficulties facing them without outside interference, the resolution said. The session was confident that the advanced forces in Poland would ensure the development of socialism in the country, it added.

In view of the complicated world situation marked by contradictions, the resolution pointed out, the Polish party and the state would continue to fight for the ease of the tense international situation, for the abolishment of the policy of the use of force, domination and interference, and for the elimination of any military conflict arising between states and the danger of a new war.

The Romanian Communist Party firmly maintained that the freedom and independence of all countries should be respected and that the sacred rights of all nations to define their orientation independently, without outside interference and on the road to progress and civilization, also be respected, the resolution said.

CEAUSESCU'S TALK AT ROMANIAN PARTY SESSION CITED

OW281345 Beijing XINHUA Domestic Service in Chinese 0755 GMT 26 Mar 81

[Text] Bucharest, 25 Mar (XINHUA)--Ceaurescu, general secretary of the Romanian Communist Party, stressed today at the plenary session of the Romanian Communist Party Central Committee: Communist Party members should not enjoy any special privilege. All cadres should place themselves under the supervision of the masses of the people.

According to a report by the Romanian press agency, Ceaurescu talked with emphasis on strengthening party building in his speech at the plenary session of the Romanian Communist Party Central Committee on 25 March. He said: Because the Romanian Communist Party is the ruling party, there is now a tendency to join the party to pursue personal gains. Therefore, it is necessary to strengthen education, increase the demands on party members and prevent from those who are after personal fame and gain and trying to get appointed to various jobs from joining the party.

On the party's cadre policy, he pointed out: All cadres should place themselves under the supervision of the masses of the people. Cadres' work performance should be evaluated directly on the basis of their activities and the way they implement the party's decisions. From now on, the promotion of cadres must be approved by both the leading organs and mass meetings.

Ceaurescu talked about letters from the masses. He said: Party and government organizations received a great number of letters from the masses in the past year. This is a form of the masses of the people exercising supervision and taking part in solving various problems. It reflects their faith in the party and also their criticism of the work of party and government organizations. Ceaurescu called on party and government organizations at all levels to directly consult the masses in their day-to-day work and settle problems on the spot, and not to wait until the masses have written letters before sending people to handle the problems. He called for adopting resolute measures against those who violate party discipline and state law, ignore the masses' interests and run counter to socialist moral principles.

Ceaurescu held that now it is necessary to do a better job in studying the party's role in society on the basis of the realities in the new stage of the social development in Romania and the revolutionary transformation and social changes that have already taken place. He also pointed out with emphasis the importance in energetically raising the professional and scientific and technological competence of cadres and all party members.

At the plenary session, Petru Enache, candidate member of the Political Executive Committee of the party Central Committee, was elected secretary of the party Central Committee, and Constantin Olteanu, Cornel Oenscu, Emilian Dobrescu and Leonard Constantin were elected candidate members of the Political Executive Committee of the party Central Committee.

ZHAO ZIYANG ADDRESSES NATIONAL COMMERCIAL MEETING

OW300441 Beijing XINHUA Domestic Service in Chinese 1305 GMT 29 Mar 81

[Text] Beijing, 29 Mar (XINHUA)--The national discussion meeting of directors of commercial departments and bureaus closed in Beijing on 29 March. Analyzing the market situation, the meeting pointed out: The general market trend in 1981 is good. More commodities will be supplied and the commodity prices will be basically stable. Under the guidance of state plans, commercial departments should further support production, expand purchases and sales, stabilize prices and circulate goods freely so as to further invigorate the markets in urban and rural areas.

Directors of the commercial departments and bureaus from all provinces, municipalities and autonomous regions throughout the country reviewed the work in 1980. They used encouraging facts from all places to show that the market as a whole has rarely been so brisk since the founding of new China, thanks to the implementation of the line, principles and policies since the 3d Plenary Session of the 11th CCP Central Committee. They felt that it had not been easy to bring about this excellent market situation and that efforts should be made in 1981 to develop the good points, overcome the shortcomings and to continue and expand this encouraging situation. To stabilize the economy and properly arrange market supplies, commercial departments should do the following work well:

1. Vigorously support the light and textile industrial departments in producing more commodities badly needed by the market, the main items among which are: bicycles, sewing machines, wristwatches and desk clocks, tape recorders, radio receivers, television sets, calculators, washing machines, electric irons and other home electrical appliances; steel and wooden furniture; medium- and high-grade textiles made of cotton, flax, wool, silk and synthetic fiber; high-class cigarettes, name-brand wine and sugar; building materials; and matches, thermos flasks and other daily necessities. Special attention should be paid to helping Shanghai, Tianjin, Beijing and other cities where there is a concentration of light and textile industries so that they may exploit their production advantages and do their best in producing good-quality and name-brand products to supply the market. It is necessary to assist defense and heavy industrial departments in producing consumer goods needed by the market and assist the foodstuff industry in offering more designs and varieties to provide an abundant market. Commercial departments should vigorously do a good job of procuring manufactured goods, expanding sales and supporting light and textile industrial production.

2. Continue to ensure a free circulation of commodities. In China, commodity economy is underdeveloped and the channels of circulation have been quite limited for a long time. This has been unfavorable for production and the people's livelihood. Since a more relaxed policy was adopted, there have been more channels for the circulation of goods and the market has become more lively. This should be fully consolidated. It is necessary to keep setting up new commercial outlets. In addition to expanding state-owned commercial centers, we should vigorously develop collectively run commerce and restore businesses run by individuals. Special efforts should be made to develop restaurants, service trades and repair businesses run by collectives and individuals. The experience of many places shows that the market is brisk and the masses are greatly inconvenienced where collectively and individually run commerce, restaurants and other service trades have developed.

3. Vigorously expand commodity sales. Due to a long-term shortage of some commodities, the commercial departments are apt to show reluctance in selling some products. This mentality should be overcome.

Commodities whose supply is dictated by state plans such as cotton cloth and others should be procured and their supply guaranteed. Commodities in short supply such as bicycles, sewing machines and wristwatches should be sold as soon as they are available. There should be no reluctance to sell these goods. General goods should be placed in the open and sold to the public. The high-priced durable consumer goods may be delivered to the customers first and payment collected later in installments if these goods are in ample supply. In case of short supply, payment may be collected first and the goods delivered to the customers in due time. It is necessary to make manufactured goods available in rural areas. Those areas which have become rich after being poor should especially have a greater supply of manufactured goods. Restaurants, service trades and repair businesses are important components of the market. This year their scale of operations should be expanded, more outlets and services should be provided and better service should be offered.

Zhao Ziyang, premier of the State Council, heard the reports at the national discussion meeting of directors of commercial departments and bureaus and made an important speech on related questions. Vice Premier Yao Yilin also addressed the meeting.

DENG YINGCHAO'S DISCIPLINE INSPECTION PLENUM SPEECH

OW290400 Beijing XINHUA Domestic Service in Chinese 1134 GMT 28 Mar 81

[Speech by Deng Yingchao, member of the CCP Central Committee Political Bureau, at the third plenary session of the Central Discipline Inspection Commission on 24 February 1981: "Be Firm in Improving Party Work Style"--published in the 28 March RENMIN RIBAO]

[Text] Beijing, 28 Mar (XINHUA)--Two years have elapsed since the CCP Central Discipline Inspection Commission held its first plenary session in early 1979. The commission holds a plenary session every year and this is the third one. Under the leadership of the party Central Committee, several principal leading comrades, deputy secretaries, permanent members, members and working personnel of the Central Discipline Inspection Commission, as well as comrades of the Discipline Inspection Commission at all other levels, have done a great deal of work and have made tremendous achievements in the past 2 years. The work of party discipline inspection is gradually having an effect. Of course, what we have done still falls short of the expectations and requirements of the party and the people throughout the country; however, this gap will be narrowed step by step. As for the work I have done, it is very little and I often feel uneasy about this. Now let me deal with a few points on the situation of the Central Discipline Inspection Commission's work.

First Question: The Achievements, Shortcomings, Difficulties and Tasks of the Central Discipline Inspection Commission in Work

Let me deal with its achievements first. Organizationally speaking, the party organization was disrupted during the 10 catastrophic years as was the Central Discipline Inspection Commission. The Central Discipline Inspection Commission, whose work had been stopped, was rebuilt in its ruins. Only after the 3d Plenary Session of the 11th CCP Central Committee was it possible to gradually restore or set up discipline inspection organizations from the central level to the provincial, municipal or autonomous regional level as well as in the army and state organs of various ministries and commissions. Discipline inspection organizations have been set up in most units, but they have not yet been staffed with sufficient cadres. We still need to continue our efforts to strengthen and perfect the discipline inspection organizations.

Politically, we laid down the "Guiding Principles for Inner-Party Political Life" by following the line of the 3d Plenary Session of the 11th CCP Central Committee and upholding the four basic principles. This is a matter of fundamental importance in our party building. It is of great significance for reviving and carrying forward the party's fine traditions and work style.

Since the approval and publication of the "guiding principles" by the party Central Committee, the departments of the party Central Committee, state organs, army units and party committees at various local levels have taken some measures to implement them. In addition, the publication and implementation of the "Regulations on Senior Cadres' Living Arrangements" has had a good effect not only on senior cadres but on party committees at various levels and on basic-level cadres. Many units have, on their own initiative, laid down regulations and measures against special privileges in their own units. This is a new phenomenon. We have not yet done enough work in reviving the fine traditions and work style, and there are not many new things in this regard. However, all things grow out of nothing, from few to many, from small to large and from weak to strong. We should strive to promote such changes.

In connection with the question of leading cadres' living a privileged life, some of the masses have a lot of complaints about the unhealthy tendencies existing in our party. We cannot blame people for expressing their opinions' nor can we blame others for criticizing us. The question here is that our party cadres, and the senior cadres in particular, should examine and put strict demands on themselves. In implementing the "Regulations on Senior Cadres' Living Arrangements," some of our organizations often have too many misgivings and give too much consideration to cadres but do not put strict enough demands on them. It is necessary to call on all party cadres and party members to guard against flattery and sitting in a sedan chair carried by others. When someone lavishes praise on you, do not relish it. When someone brings a sedan chair for you to sit in, do not sit in it. Then what can he do about you? I have often said: If people bring sedan chairs for us to sit in, we should refuse to sit in them. Then there will be no market for their sedan chairs and they will have to abandon them. The key question here is whether or not we want to sit in sedan chairs.

Therefore, opposing special privileges should start with each of our party members and with our leading cadres. It will take some revolutionary spirit to do this. We must take a firm attitude in opposing special privileges. We must criticize, stop and firmly resist the unhealthy tendencies of resorting to boasting, flattery and touting and carrying one in a sedan chair in order to eliminate such unhealthy tendencies. Everyone must seriously and consciously deal with these unhealthy tendencies. Only thus will our opposition to special privileges not become empty talk.

The Central Discipline Inspection Commission has also participated in the work of remedying major frameups and false and wrong cases and in reexamining a large number of historical cases. It has examined and handled many cases of law and discipline violations, received a large number of visitors from the localities appealing to the higher authorities for help and handled tens of thousands of letters from the people. The amount of work has been considerable over the past 2 years, and many comrades engaged in practical work have done an uneasy, difficult job. There have been hundreds of thousands of visitors to receive and as many letters to handle. The verdicts on so many comrades have had to be reexamined and so forth. All this takes great patience and painstaking effort.

We have done so much work, but we still should note that the party and people have expected much more from us and have put very strict demands on us. We have not yet brought our role into full play as expected by them. We still fall short of their expectations. Some matters are being solved step by step. As long as we pay attention to such matters and persist in doing what we are now doing, we believe these matters will be solved properly. Comrades of the Central Discipline Inspection Commission, including myself, should try in every possible way to do our work well.

There are still shortcomings in the work of the Central Inspection Commission. First, I feel the commission has not done enough in promoting and inspecting the implementation of the "guiding principles." Discipline inspection commissions from the central to the local levels all have not done enough in this regard.

Second, we have not done our work thoroughly enough. As a result, we have sometimes caused trouble for ourselves. Take open criticism of a responsible comrade in newspapers for instance. We sometimes have such criticism published before holding sufficient consultations with the departments concerned. The masses have responded very strongly and favorably to this practice, feeling that we now dare to expose and openly criticize problems among senior cadres. As a result, they have greater faith in the party. This was helped to create a very good atmosphere of correcting unhealthy tendencies among the masses. However, our failure to do a thoroughgoing job in a certain area of our work has caused trouble that could have been avoided.

In addition, we do not have sufficient tenacity. When we grasp a problem, we should grasp it firmly and through to the end in order to get to the bottom of the problem. In this regard, some of our comrades might have some misgivings, be overcautious, lack boldness or feel there are difficulties. As a result, they do not have sufficient tenacity in performing their work and are not firm and indomitable enough in pursuing a matter. We should improve ourselves and help one another in this regard. These are our shortcomings in work.

As for difficulties in our work, they are obstructions we encounter in solving problems. Such obstructions often result from our failure to reach an identity of views in good time. Sometimes problems are so serious that they are brought from abroad to the Central Discipline Inspection Commission and even to the party Central Committee. However, problems still cannot be solved overnight because views on such problems are not identical. The Central Discipline Inspection Commission has met with obstructions and difficulties in its work. Therefore it is very important to hold prior consultations in carrying out the work of discipline inspection. I have learned from my personal experience that one should consult with the comrades concerned in doing anything. One should listen to others' opinions and give full scope to democracy in order to achieve uniform understanding. Then one should try to solve problems. This is very beneficial to us. The views of three persons are better than those of one, and the views of many persons are better than those of three. It is good to consult with more people in doing anything.

Stressing democracy is troublesome, but we should not be afraid of such trouble. We can do our work better and more thoroughly when we are not afraid of such trouble. We must not be afraid of trouble in carrying out the work of party discipline inspection in particular. In handling matters we should acquaint ourselves with the views of the personnel concerned on such matters and discuss them with those involved. In this way we can do our work better on our own initiative.

As for our future tasks, they are still to continue to inspect the upholding of the four basic principles, the implementation of the line laid down by the 3d Plenary Session of the 11th CCP Central Committee and the implementation of the central authorities' major policy decisions. As for the policy of economic readjustment, the Central Discipline Inspection Commission should inspect its implementation by various departments and areas. We should correct unhealthy trends and evil practices economically, politically and in daily life in order to improve the party style. There are still many unhealthy trends and evil practices in the economic field. In dealing with such matters, discipline inspection commissions should carry out their work independently and creatively, on the one hand, and rely on the party committees to which they belong to promote and carry out this work, on the other. The discipline inspection commission and the party committees should coordinate closely with one other.

Comrade Chen Yun said: The party style concerns the life and death of the party. Our discipline inspection commissions should pay constant attention to matters in this regard, strive to do a good job in improving the party style and include correcting unhealthy tendencies in the economic and other fields as important items on their agenda. Of course, the discipline inspection commission not only inspects the enforcement of discipline passively. It is more important for them to prevent violations of party discipline and to play a positive role.

The Second Question: Leading Cadres Should Adhere to the Four Basic Principles and Consciously Take the Lead in Implementing the "General Principles"

Leading cadres should not only implement the "general principles" but should consciously take the lead in doing so. Taking the lead and doing so consciously are more important. We should not only set the examples in observing discipline and abiding by the laws ourselves but should strengthen the political and ideological education for our children and teach them to observe discipline and abide by the laws. Matters related to the children's study, work, admission into the party and promotion should be left to the discretion of the party organizations to which the children belong, which will handle the cases according to the party's principles. Parents should refrain from exercising their powers to interfere in these matters or to intercede for their children. Interfering in the children's matters and interceding for them does not benefit them. Our children will stand to gain if we set strict demands for them. Treating them with indulgence, excessively accommodating them and covering up their mistakes will only ruin them. Leading cadres should educate their children well because this has become an issue that affects our party's work style.

We should confirm the fact that the majority of cadres' children are good and that there are not many, in fact just a few, evildoers. However, when one or two cases involving cadres' children become prominent, the masses will get a bad impression. People are apt to generalize these matters. We should not just demand that the masses make analytic and well-grounded remarks; we should all the more set strict demands on ourselves and remain upright. When this is done, the masses will have a different impression and there will be fewer complaints. This is an important matter that deserves our attention. Now that many of our children have joined the party or the CYL, we should require and teach them to become Communist Party members and CYL members worthy of their names.

The Third Question: Cadres and Party Members Should Rally Around the Central Authorities and Resolutely Implement the Central Authorities' Line and Policies

Resolutely implementing the central authorities' line and policies does not contradict the development of democracy. The two are supplementary. The central authorities' policy decisions are formed on the basis of developing democracy on a wide scale. The central authorities allow the comrades to air their views by following normal organizational procedures but forbid participation in activities banned by the party constitution. In other words, we do not limit the comrades' right to speak; nor do we restrict democracy. However, a Communist Party member, especially a leading cadre, is not allowed to make casual remarks that run counter to or are incongruous with the central authorities. We all know that success is attainable only when we keep in step. Our numerous successes in the past were achieved by keeping in step. What does "keeping in step" mean? It means rallying around the central authorities, persisting in implementing the central authorities' line and policies and prohibiting feigned compliance or doubledealing tactics.

Why should we set this demand? As a governing party, our party finds itself in a very important period and shoulders very important tasks. The new historical period further requires our whole party to unite as one and lead the people of the whole country in fighting brave battles. If our party members, particularly the leading cadres, make statements which are incongruous or out of tune with the central authorities' line and policies, they could be easily distorted and used by some people to sow discord, undermine our party's prestige and disrupt its unity. Therefore it is very important that the central authorities set this demand. Many of us veteran comrades cannot forget having said when admitted into the party that we will observe the party's "iron discipline," which means that the party discipline is strict and unshakable.

Those who practice anarchism, extreme individualism and liberalism and who bring losses to the party's cause should be criticized and educated.

In serious cases, punishment should be meted out. Do not think this is too strict. Enforcing strict party discipline does not contradict developing democracy within the party. Our present democratic life, whether inside or outside the party, is more lively than in the past. The people can now speak out freely and dare to air their views. This is a desirable thing. We do not mind people airing different views; we do mind people holding back their opinions and criticisms in our presence and making comments and accusations behind our backs. This is an undesirable thing.

Now, on the one hand, we should set strict demands for the whole party in this way; on the other hand, we should be aware of the many problems and different opinions in society and inside and outside the party. There are all kinds of opinions. Therefore, we should properly analyze the different opinions when they confront us. We should assume a democratic attitude. First, listen to the people's opinions; then give them some thought and make analyses. Some of these opinions are correct; some are erroneous. Naturally, there are also aggressive and provocative remarks. When reporting differing opinions, we should not hurriedly designate certain opinions as erroneous and aggressive. Some opinions are not as erroneous as they seem to be. We should properly analyze the opinions and avoid hurriedly pinning labels on other people. It is necessary to do the appropriate ideological and political work in light of the masses' ideological problems. Some people need an explanation; some people need an interpretation; some people need to understand more of the actual situation, while others need to improve their understanding. We should not be afraid of confronting erroneous opinions or opposing opinions; nor should we suppress them once and for all. Are we not practicing the principle of the "three not's"? We should not pass hasty political judgment on other people, saying that their statements are meant to oppose such-and-such a thing and attack so-and-so. Rash judgments actually show a lack of the democratic spirit of earnestly listening to other people's opinions. The situation in some places as reflected in the materials I have read is that some people begin by pinning labels, designating certain opinions as erroneous and aggressive. In fact, some opinions are not erroneous and aggressive as I view them. If we can persist in making realistic analyses of dissenting views, we will promote political stability and unity and keep on enhancing the party's combat effectiveness.

Moreover, leaders should think about the impact of their words and deeds. By leaders, we mean not only the high-ranking leading cadres, but also party committee members and party branch secretaries of the basic-level communes and enterprises. They should think about these questions: will their words, once spoken, be favorable or unfavorable to the party? Will they have a good or bad impact on the party? One fine tradition of our party is modesty and prudence. We should forever maintain a modest and prudent work style. This sounds like a platitude, but it is not easy to put into practice. In order to temper our party's spirit, we should bear in mind the interests of the people and the party in things we do. It is the same with things we say. Do not think you can speak as you please. You must know that people consider seriously statements they hear from you. Especially now, the people are setting stricter and higher demands for our cadres.

The Fourth Question: Combat Bureaucratism

Comrade Huang Kecheng spoke on combating bureaucratism at the last discussion meeting on implementing the "general principles." It was a good speech. I will not repeat it here. How are we going to combat bureaucratism? It is my understanding that we should rely on each of us leading cadres and party members to start combating bureaucratism from his own post, the work unit under his leadership and in the routine handling of problems. This is very important. I think the most prevalent and serious bureaucratic styles are shelving, shoving, footdragging and leaving things unsettled. When a problem crops up, one tries to shelve it. If that does not work, he tries to shove it to someone else. If that fails, he will begin footdragging and leave the problem unsettled.

Now some people use red tape and indulge themselves by passing comments on official documents without taking measures to solve problems. Therefore, in this connection, all units, party committees at all levels and working personnel inside and outside the party should earnestly do their jobs well, improve the quality of work and seek higher work efficiency. Meanwhile it is also necessary to make structural reforms and institute rules, regulations and systems. Suppose the structural reforms have been completed and new rules, regulations and systems have been instituted, but you do not take any actions. In that case the new structure, rules, regulations and systems are still useless. Therefore we should start by doing our own work well. To combat bureaucratism, we cannot just shout slogans. We need actions. Using bureaucratism to combat bureaucratism simply does not work.

I have experienced situations like this: A student of the central party school wrote a suggestion and sent it simultaneously to several comrades. I read it and thought that some of his ideas were good. So I got in touch with the leading comrades concerned and relayed the ideas to them. Some of the questions were promptly solved. However, some of the comrades pigeonholed the suggestion for 2 months without even taking a look at it, and what could have been settled with a few words was left unresolved. Especially in Beijing, why are there all the delays in the handling of some problems? Why is it necessary to spend several days to have papers written and sent back and forth between the inner and outer city? Actually, sometimes a phone call or one face-to-face meeting will get things done.

I say it not that there is nothing to do now. There are many things for us to do, but they are not being done. Bureaucrats are those who look but do not see, pay no attention to things that happen, sit there everyday far removed from the masses and reality and solve no problems. If every party member and cadre will conscientiously and responsibly do his own job well, bureaucracy surely will be curbed more than it is now. Bureaucracy is a virus corrupting the body of our party and our country. It is extremely harmful to the party, the country and the people, and we cannot turn a blind eye to it. I hope that comrades on discipline inspection commissions at all levels will be sure to pay attention to this question. We must improve the system and change our work style. Since the Secretariat of the party Central Committee was established, it has handled official businesses collectively, held meetings periodically in a planned way and solved problems in good time. Since the third session of the Fifth NPC, the State Council has also set up a system of day-to-day business meetings and various other meetings, which have been very effective in solving problems, and things are being handled promptly. The Secretariat and the State Council have set an example for us.

There are things I cannot understand. Some comrades have both position and power, but they just do not do the right things, they just sit there and do nothing. Only when others become impatient will they begin to act. Why must they be pressed by others? Why do they not act on their own initiative? An appeal report from a comrade of an organization directly under the party Central Committee was passed to the Central Discipline Inspection Commission, and we decided to solve his job problem first. Later we learned that the matter was being handled by the discipline inspection commission of the party committee of temporary organizations directly under the party Central Committee. Two months passed. What happened? The discipline inspection commission of the party committee of temporary organizations directly under the party Central Committee wrote a report. When the report was submitted to the higher level, it was read and marked with circles by those who read it and, after everyone had drawn a circle on it, was forwarded to the unit of that comrade. The official paper traveled a long way, but the problem was not solved.

If this is how problems are handled under the nose of the party Central Committee and under the leadership of the party committee of temporary organizations directly under the party Central Committee, there is no need to talk about problems elsewhere. As far as I know, they have recently adopted positive measures.

Two years ago I came across two situations: One involved some people abroad who wanted to send their performers to China, and they offered to pay rent for the use of our theaters and also pay for the services of working personnel. In addition, they agreed to give grants to several students for studies abroad. Wasn't this a very good thing? The other case concerned a troupe going abroad on a performing tour. The case was shelved and could not be solved. Why were such opportunities obviously to the advantage of our country and to the people of both countries not carried out? Weren't the problems quickly solved when I took a personal interest in them? In these two cases, if there had been no one to push them, they probably would have been shoved around and put off and given up. Bureaucracy is quite terrible!

Drawing circles on papers and passing official documents around as a way to solve problems will only cause delays and mess things up. We must deal seriously with bureaucracy and never let up. In addition to setting up a system, changing our work style and improving our methods of work, we must take a resolute attitude against bureaucracy. We should start with the units we are responsible for or belong to. Only in this way can we supervise each other and push each other forward in the whole party. The initiatives of each link will then be brought into play, and our opposition to bureaucracy will not remain empty calls. We have been shouting empty slogans for many years, and bureaucracy remains quite serious and still needs to be dealt with seriously. Recently the Beijing Municipal Party Committee put forward two slogans, which Chairman Mao also mentioned long ago: We must take an attitude of serving the people and being responsible to the people in doing our work and in dealing with people and things. We must promote this spirit and must not let bad customs and habits endanger our cause. Serving the people and being responsible to the people are easy to say, but not so easy to do. But we must do so, seriously and continuously.

The Fifth Question: Comrades Doing the Party's Discipline Inspection Work, Including Comrades on the Central Discipline Inspection Commission, Should Bear Firmly in Mind Comrade Chen Yun's Opinions Toward Work of Discipline Inspection Commissions

Comrade Chen Yun said: First, the work of discipline inspection commissions has to be done. Second, there are difficulties in the work of discipline inspection commissions. Third, having done our work, we can ignore indiscreet gestures, complaints or criticisms, if any, against the discipline inspection commission. If what we have done is correct, and the accusations unjustified, we can ignore them. If their opinions are correct, we should consider them. I think these three points made by Comrade Chen Yun should be remembered. The work of discipline inspection commissions should and must be done. Unless we do no work, we will have difficulties in any kind of work. Even if we do no work and remain idle, difficulties will arise out of idleness. We should understand problems in this way.

To rectify party style in the period of national economic readjustment, we should pay special attention to eliminating the unhealthy trends and evil practices in the economic field so that the party's fine traditions and work style can be inherited and carried forward. Our discipline inspection commissions shoulder very important responsibilities. In discipline inspection work, we must not be afraid of difficulties. Almost all present here are veteran comrades. How many difficulties have we overcome by following the party in the past decades? When did we yield or retreat in the face of difficulties? We can only forge ahead in the face of difficulties. When the difficulties are overcome, we will achieve victory.

How can we not take up our tasks in the face of difficulties? I think the position and tasks of our discipline inspection commissions are glorious and important. I think that being selected to do this work shows the trust of the party and of comrades inside the party in us. A comrade said to me: Oh my, there are so many things to take care of now, including this ideological problem and that ideological problem. I said: If you feel the work troublesome, then do not be a Communist Party member. Communist Party members are meant to solve troubles and to overcome difficulties. If there is no trouble, no difficulty and nothing for us to do, what need is there to have the Communist Party?

We must have a basic belief in our party. Aren't the masses now saying that our party's prestige is declining? We recognize the problem ourselves. Through the 10 years of turmoil, there have been so many problems, and our party's prestige has indeed dropped somewhat. But we must not forget another aspect and must also see the good points. A number of cadres and party members who have survived since the founding of the party to the present, as well as some comrades and specialists outside the party, have undergone rigorous tests. In the 10 years of turmoil, many comrades died and many were disabled. Some are advanced in years and poor in health but, obeying the party's assignment, many of them are still working despite illness. They still maintain a strong party spirit and revolutionary will, brace themselves, do not complain, feel no resentment, remain diligent and conscientious, have not forgotten the revolutionary ideal and continue to struggle hard for the party. This proves that through several decades of tempering, our party has matured and has built up a backbone force in the course of protracted struggles. This backbone force is where our party's hopes lie. If this backbone force can now make up for the losses caused by the 10 years of turmoil and, through persistent and dauntless efforts, build our country into a powerful socialist country with the four modernizations and a highly developed democracy and civilization, then this country of ours will be truly extraordinary. We must not underestimate ourselves, China, our party and the power of the people.

Of course, it is not easy for us to overcome the influence caused by leftist mistakes. Today we still have to continue to overcome the "left" mistakes. We should have confidence in our party, understand it well and take full account of it. We have fought for decades to win the country and we must keep on fighting. It is we who have won the country. Do not fear difficulties, which can only temper us and enhance our wisdom and abilities. In the past we have always stressed that we must advance despite difficulties and must not shrink from difficulties. We, the comrades engaged in discipline inspection work, should all the more be exemplary in this respect.

Comrade Mao Zedong said: Our cause was never before attempted by our ancestors. Indeed, what the Chinese Communist Party has led the people of all nationalities in China to do was never attempted before by our ancestors. We have both positive and negative experiences in building socialism. Now, by summing up our positive and negative experiences, we have become more mature. We should see this point. We revolutionaries should cope with difficulties with an optimistic spirit and be able both to macroscopically look forward to the future of the revolutionary cause and the lofty ideals and to microscopically observe the new things and new progress occurring now. We have all read comrade Ye Jianying's poem written at the spring festival this year, and I shall use it to conclude my talk:

"Microscopically the new supersedes the old, and a succeeding youthful generation is on the rise.

"The ten thousand li Chang Jiang can be checked, and the divine land of the 900 million has abundant resources.

"Work style and systems are being continuously reformed, and the fine traditions will be carried forward.

"Unite the whole people to build up the country, and hail the return of spring again to mother earth."

I. 30 Mar 81

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GONGREN RIBAO ARTICLE REFUTES 'CRISIS OF FAITH'

OW271816 Beijing XINHUA Domestic Service in Chinese 1246 GMT 27 Mar 81

[Report on article by Comrade Deng Liqun, vice president of the Academy of Social Sciences and NPC deputy, published in GONGREN RIBAO on 27 March: "Communism Is the Lofty Cause Throughout the Ages"]

[Text] Beijing, 27 Mar (XINHUA)--The article says: The glorious banner of communism was first raised by our revolutionary martyrs. History will definitely prove that this banner will be held aloft by one generation after another until the final victory of communism is achieved throughout the world. This is the world outlook of us communists [gong chandang ren 0364 3934 8093 0086] and all others who believe in communism [gong chan zhu yi zhe 0364 3934 0031 5030 5074], and also our basic stand for observing society and the development of history.

The article, published in the GONGREN RIBAO special column "Discuss the Four Upholds With Staff Members and Workers," says: In the past year or two, some people said that a so-called crisis of faith has emerged among the younger generation. This allegation is not realistic if it refers to the majority of our younger generation. If one says that some of the young people are affected by this problem to various degrees, then he should also further analyze the actual cause of this problem. Generally speaking, there are only two reasons for this problem: First, there is the sabotage by the enemies at home and abroad, mainly the after-effects of the 10 years of chaos by Lin Biao and the "gang of four." Second, there are our own mistakes and shortcomings in work. In other words, as long as we continue to eliminate the pernicious influence of Lin Biao and the "gang of four," to wage an effective struggle against enemies at home and abroad in all areas and to achieve success in this struggle, as well as to improve our work and correct our shortcomings and mistakes in a down-to-earth way, the problem of the so-called crisis in faith among some young people can be solved properly.

The article points out: There is still more to be done in exposing and criticizing the counterrevolutionary crimes committed by Lin Biao and the "gang of four," particularly in exposing and criticizing their crimes in connection with the new problems that have appeared in our society. While elaborating on the importance of upholding the four fundamental principles in a speech delivered in March 1979, Vice Chairman Deng Xiaoping pointed out that a tiny handful of people--who claimed that their task at that time was to solve the problem with regard to those "capitalist roaders," a problem which was not solved by the "gang of four" --wanted to "practice democracy by kicking aside the party committees." Comrade Xiaoping said: "It is very clear to everybody what kind of 'revolution' was practiced by Lin Biao and the 'gang of four,' who wanted to practice revolution by kicking aside the party committees. Is it not equally clear to us what kind of democracy we will achieve if we practice democracy today by kicking aside the party committees?" "We will once again go to the brink of collapse, and the four modernizations will be blown away completely if we allow a handful of people to practice democracy everywhere by kicking aside the party committees." These people opposed the four fundamental principles. They are actually the shadows of the "gang of four," and their ideological setup is also the ideological setup of the "gang of four." These analyses made by Comrade Xiaoping are very thorough. It was discovered recently that a tiny handful of elements with ulterior motives were engaging in sinister activities. They work in collusion with the remnant elements of Lin Biao and the "gang of four." Compared with the "gang of four," the program, slogans, tactics and form of activities adopted by them--although different in style--are essentially identical. They asserted that a special stratum now exists in China, that the contradiction in Chinese society is one between the broad masses of people, on the one hand, and this special stratum, on the other hand, and that a "second revolution" is the only way to solve the problems.

They advocated the idea that there exists a wide gap between the older generation and the younger generation, that there is no hope for the older generation to fill this wide gap, and that the younger generation can only fill this gap by completely overthrowing the older generation. Therefore a new task of our propaganda work and educational work in various fields is to further criticize the counterrevolutionary crimes committed by Lin Biao and the "gang of four" along with the newly emerging antiparty and antisocialist views and acts.

After recalling how our party and the people of our country launched repeated and long-term struggles against Lin Biao and the "gang of four," the article points out: The enemies did not and could not destroy us. Instead, they could only be defeated by us. This proves very convincingly the superiority of the socialist system. It also proves that the socialist system has great inherent vitality that can smash any sabotage by enemies from within and without.

Analyzing the characteristics of the socialist system itself and expounding on its superiority, the article points out: The major characteristics of the socialist system are: Replacing private ownership with public ownership to fundamentally eliminate exploitation and oppression and implementing the principle "from each according to his ability, to each according to his work." A fundamental difference between this system and the capitalist and other exploiting systems is that this system can unify the interests of society, collectives and individuals and correctly handle the relationships between these aspects. There are also contradictions between these aspects. However, under the socialist system, except for contradictions with enemies at home and abroad, contradictions with the interests of individuals or groups among the people themselves will generally not develop to such an extent as to be in conflict with the interests of society as a whole. Because the fundamental interests of the people themselves coincide, the socialist system can guarantee the formation of a common ideal, a common faith, a common morality and a common discipline, the acceptance of a common leadership and the adoption of a common action. This is what the capitalist system can never do.

The article says: In the past few years we have openly admitted the shortcomings and errors in our work made in the past nearly 30 years. We have summed up experience and learned from it. This is entirely necessary. However, some comrades have an erroneous tendency: They see too many of our shortcomings and errors and are, relatively speaking, vaguely impressed by our achievements. As a result, they underestimate and do not talk much about our achievements. The central authorities recently pointed out: Our shortcomings and errors must be seen and corrected and our experience and lessons must be summed up. However, we must not deny our great achievements in socialist revolution and construction. This is truly seeking truth from facts.

The article says: Some of the problems in our socialist revolution and construction arose from our enemies' sabotage, and some from errors in our work. It is necessary to explain clearly that these two kinds of problems are entirely different in nature. For instance, the main errors in our economic work for many years in the past were the "left" errors, which, chiefly speaking, were that we considered accumulation too much but did not pay enough attention to consumption. In other words, we considered the people's long-term interests too much but their immediate interests too little. As a result both the immediate and long-term interests of the people were damaged. Such errors must be corrected. However, the enemies sabotaging our party and socialist cause are an entirely different matter. The "Great Leap Forward" brought very great difficulties to the construction of the country and the people's living. However, the person who committed the error was a person with good intentions. Therefore, once we realized our own errors, we could correct them in good time and step by step. Hostile to the people, Lin Biao and the "gang of four" vainly attempted to fundamentally destroy our socialism. They did not and could not possibly consider the people's immediate and long-term interests. Their problems certainly were not owing to the errors in their work.

Some factional remnant elements of the "gang of four" or persons who were at one with them in mentality and actions recently raved that a special stratum lording over the people throughout the country existed in China. Refuting this extreme, preposterous theory of theirs, the article says: In our country there are about 80,000 cadres at and above the levels of deputy directors of bureaus and departments in all localities and the levels of deputy division commanders in the army. We now have no accurate statistics on their average wages. We can calculate their wages in two ways: One way is to calculate in terms of high wages; that is, the monthly wage of each cadre is 200 yuan, or each cadre receives 2,400 yuan per annum. The total amount of their wages is 190 million yuan. The other way is to calculate in terms of medium wages. Today the situation among cadres has greatly changed. Each of these cadres receives an average of about 160 yuan per month for wages; then the total amount of their wages is more than 140 million yuan. According to the logic of the remnants of the "gang of four" and their yesmen, these cadres can be called a special stratum or a high-salary stratum. But of the total amount of the countrywide wages, what percentage does the total amount of their wages constitute? It constitutes only 0.2 percent, or even less. Here we are taking into account only those who are paid wages as income. If we also take the 800 million peasants' incomes into account, then the total amount of those cadres' wages constitutes only about 0.1 percent. If our comrades make a comparison, they will understand that there simply does not exist any special stratum in our country. Is this not strong evidence illustrating that the socialist system is different from the capitalist system?

In conclusion the article says: The socialist system of our country was brought into full play in the past. Since we smashed the "gang of four," it has been brought into full play once again. We firmly believe that if we conscientiously draw lessons from our historical experience and honestly and wholeheartedly serve the people, the superiority of our socialist system can certainly be brought into play more and more greatly. This is the inexorable law of historical development. This law will influence the trend of our future historical development. Historical development will certainly convince more and more people, including youths who have some muddled ideas and even take a dubious attitude. We firmly believe that our later generations will not violate the inevitability of history or the law of history. They will certainly carry on the cause pioneered by revolutionaries of the older generation and win greater and greater victories for socialism in the land of China till communism is realized throughout the world.

GONGREN RIBAO ARTICLE ON FREEDOM OF SPEECH

HK280925 Beijing GONGREN RIBAO in Chinese 16 Mar 81 p 3

[Article by Zhu Jiamu [2612 0163 2606]: "Correctly Understand and Exercise the Right to Freedom of Speech"]

[Text] Freedom of speech is one of the basic rights of citizens in our country. Citizens' rights constitute an important part of accomplishing and carrying forward socialist democracy. The day that the People's Republic of China was established was the day the Chinese people gained freedom of speech. However, because of the long history and profound impact of China's feudal society, the socialist legal system has not been perfected and freedom of speech is not fully protected. It was wantonly trampled on particularly during the 10 years' of upheaval when Lin Biao and the "gang of four" practiced despotism. Since the smashing of the "gang of four," the party, the People's Government and the NPC have adopted many effective measures to ensure the masses' freedom of speech. Extensive publicity has been initiated in all journals on the principles of freedom of speech, and there are wide-ranging opportunities for the people to air their opinions.

Of course, infringement upon and suppression of the citizens' freedom of speech cannot be eliminated without a great deal of effort, and we must persist in struggling against them. However, we must also note that at present, there is another erroneous inclination among some people, who publicize and explain freedom of speech in abstract, superficial and impractical terms, and that is interpreting freedom of speech as an absolute having no restrictions at all. Some of these people use the right of freedom of speech indiscriminately and launch antiparty, antisocialist activities. Therefore, it is beneficial for us to discuss and study again some general knowledge on freedom of speech.

Some people have remarked that freedom of speech is an innate right; others say that there is no difference between bourgeois and proletarian freedom of speech. What they mean is that there is no class characteristic in freedom of speech regardless of the language used. These viewpoints sound original. Actually they are only the reflection of a bourgeois viewpoint, that of "natural rights." It is undeniable that the bourgeois viewpoint was progressive during the struggles against the despotic feudal ruling class. Nevertheless it is a distortion of the actual situation in human society and has already lost its progressive significance today.

So-called freedom of speech is actually freedom for people to express their viewpoints and opinions on all problems in the country, the society and the world. Therefore, like freedom of association, assembly and the press, it falls under the category of political rights. According to Marxist thought, in a class society, the representatives and the protectors of the economic foundation are the ruling class. All political rights, including freedom of speech, must serve the ruling class and protect the economic foundation of the society. In this case, freedom of speech was actually freedom of the ruling class, regardless of the form of expression. The ruling class would never allow the exploited class to use this freedom to basically damage its economic profit and political rule. Hence it would never allow the exploited class to enjoy the same freedom. It is impossible for supraclass freedom of speech to exist in a class society or in a society with class struggles.

Why, then, should the bourgeoisie uphold freedom of speech and declare that it is something innate and equal for everybody? They said this before they succeeded in seizing power in order to fight against the autocratic rule of the feudal nobles and the church in their struggle for the right to publicize bourgeois democracy and science and to whip up public opinion in favor of the development of capitalism. However, after the bourgeoisie succeeded in seizing power, they upheld freedom of speech in a capitalist society belonged to the bourgeoisie alone. They knew very well that even though they publicly advocated supraclass freedom of speech, the proletariat would not be able to enjoy freedom of speech as they did not realize political freedom of any kind. In order to realize political freedom of any sort, material means are indispensable. If the people are going to enjoy freedom of speech, they must possess public opinion tools such as journals, broadcasting stations and printing presses. However, these public opinion tools are either owned by the bourgeois government or they are private property of the capitalists. The proletariat would never have the chance to enjoy freedom of speech if the bourgeoisie did not provide them with these tools. As Stalin said, the bourgeois engage in a lot of empty talk about freedom of speech, assembly and publication, but "this is merely verbiage because working class people do not have suitable meeting places, fine printing houses or enough paper to use." ("Selected Works of Stalin," part 2, p 402)

In some capitalist countries Marxist publications are sold in bookstores, and workers' representatives do sometimes appear in mass assemblies and on television shows. However, can these phenomena alter the fact that the proletariat and the bourgeoisie do not enjoy equal freedom of speech? No, they cannot. To express its opinions, the proletariat has to overcome all kinds of difficulties because its material conditions are poor, and it has to overcome difficulties arising from the bourgeois governments. Furthermore, the publication of proletarian opinions cannot be compared with that of bourgeois opinions that flood the entire society. Under such circumstances, proletarian opinions cannot do any harm to the bourgeois rule; on the contrary, they are used by the bourgeoisie to beautify the so-called genuine freedom of speech in the capitalist world. Furthermore, the bourgeoisie tries in every way to "drown and suffocate" proletarian opinions by its powerful public opinion tools. After Marx's "Das Kapital" was published the German bourgeoisie tried in every way to smother it by "silent conspiracy." In view of this situation, Engels wrote an anonymous book review for a bourgeois journal. He attacked "Das Kapital" from the bourgeois point of view in order to attract the attention of people from all walks of life. We must bear in mind that freedom of speech of the proletariat was actually controlled by the bourgeoisie. The bourgeoisie could rescind the freedom of speech of the proletariat at any time under the pretext of law when they found that the proletarian opinions were endangering its rule.

Freedom of speech is still not an innate right which cannot be exploited even since the proletariat succeeded in seizing power. This is because class struggles will continue over a long period of time after the proletariat has succeeded in seizing power. In order to protect socialist public ownership and consolidate its political rule, the proletariat must give the rights of political freedom, including freedom of speech, to the masses instead of to the antagonistic class or its remnants. In 1954 China issued "The Constitution of the People's Republic of China," which stipulated explicitly: "The state acts according to law and deprives the feudal landlords and the bureaucratic capitalists of their political rights." Comrade Mao Zedong also said explicitly in his article "On the Correct Handling of Contradictions Among the People": "The function of people's democratic dictatorship is to suppress the reactionary classes, elements and exploiters in our country who resist the socialist revolution and 'to deprive landlords and bureaucrat-capitalists of their right to vote and their freedom of speech for a specified period of time.'" At the second plenary session of the Fifth National People's Congress in 1979, the "government work report" declared that throughout the country, except in Taiwan, "the class of landlords and rich peasants has been eliminated," and "the class of capitalists has also been eliminated." At the same time, it pointed out that "class enemies have existed for a long period of time. In dealing with them, we must establish the dictatorship of the proletariat." That is to say, we must deprive all class enemies of their political rights, including freedom of speech. This indicates that freedom of speech in socialist society is similar to that in capitalist society--neither is supraclass. The only difference is that in socialist society, the majority uses dictatorship over the minority; and unlike the bourgeoisie, the proletariat does not deny the class character of freedom of speech. On the contrary, it explicitly declares that only the masses have the right to enjoy freedom of speech, not the reactionary class nor the counterrevolutionaries. The more explicit and powerful it is, the more advantageous it will be.

Some hold that freedom of speech in socialist society means "speak freely," and there will be no restrictions on the citizens' freedom of speech except on the reactionary class and the counterrevolutionaries whose freedom of speech has been taken away. This is, again, a wrong concept. It is undeniable that when certain opinions are published, they might have different kinds of effects and consequences, and some of these consequences might undermine the rights of other people or the society, such as a person's reputation and social security.

Therefore, to protect the citizens' rights and social interests, on the one hand, genuine freedom of speech should be granted to citizens in socialist society. On the other hand, the citizens' freedom of speech should be constrained wherever necessary. There is no such thing as so-called unrestrained freedom of speech. Under such circumstances, what restrictions should we put on the citizens' freedom of speech in our country?

First, it should be restrained by "the constitution." "The constitution" is the basic law of a country; it centralizes and reflects the will of the proletariat and the masses. The citizens' freedom of speech can only be exercised within the limits of "the constitution." Ideas violating the spirit of the principle of "the constitution" will be censored. As stipulated in chapter 1 of "the constitution," "the People's Republic of China is a socialist state of the dictatorship of the proletariat led by the working class and based on the alliance of workers and peasants." "The Communist Party of China is the core of leadership of the whole Chinese people. The working class exercises leadership over the state through its vanguard, the Communist Party of China. The guiding ideology of the People's Republic of China is Marxism-Leninism-Mao Zedong Thought." Therefore, ideas in opposition to the proletariat dictatorship, socialist road, the party's leadership, Marxism-Leninism-Mao Zedong Thought will not be allowed to be freely aired in newspapers, magazines, books, radios, films or dramas, nor can these opinions be freely spread through other means. If there are still people who insist on airing them, the minor offenders will be criticized and educated. Serious offenders or people who refuse to mend their ways despite repeated admonition will be punished accordingly. Do such practices encroach on the citizens' freedom of speech? No, they do not. Marx was right in saying: "There are no rights free of obligations and vice versa." ("Selected Works of Marx and Engels" vol 2 p 137) No hard and fast line can be drawn between the two. "The constitution" of our country stipulates rights such as freedom of speech. It also stipulates that citizens have the obligation to "support the leadership of the Communist Party of China and the socialist system, safeguard the unity of our motherland and unite all nationalities. Therefore opinions which are antiparty and antisocialist and which sabotage the unity of the motherland and the nationalities must be prohibited." By doing so we are uniting the citizens' rights with their obligations, and in no way have we infringed upon the citizens' freedom of speech.

Second, the citizens' freedom of speech is constrained by all kinds of laws, decrees, and articles. For example, according to the "criminal law" of our country, attempts to instigate counterrevolutionary activities, lodge false accusations against others, make up stories to slander others or spread rumors are violations of the law, which means they will be censored. Anyone who attempts to publicize them will be punished according to law. These are the restrictions on counterrevolutionary opinions, false accusations, slander and rumors. There are people who think that we should not stop or "arrest" people who publicize counterrevolutionary opinions. Instead, we should discuss and criticize them afterwards. These ideas are basic violations of the provisions of "the constitution" of our country. Furthermore, China has stipulated various confidential regulations. According to provisions of these regulations, nobody should disclose confidential information in conversation, letters, talks, or writings to outsiders. Offenders will be charged with violation of criminal law. This is, in fact, a restriction on disclosing confidential information.

There is another restriction on freedom of speech and that is the restriction on socialist morality. For example, "we should not say things which are detrimental to the unity of our country." Offenses will be criticized and condemned by public opinion, even though they are not punishable by law. Every conscientious socialist citizen should not only spontaneously restrain his opinions and abide by the laws and the regulations of "the constitution," but should also measure himself against socialist morality and restrain his opinions.

Moreover, there are 38 million Communist Party members among the citizens of our country. Their freedom of speech is restrained both by the above-mentioned restrictions and the party discipline. This is because the party members enjoy the rights of citizens and party members. Therefore, apart from shouldering the obligations of citizens, they should also shoulder the obligations to uphold the party's road, safeguard the centralization of the party and abide by the party discipline. It is stipulated explicitly in "The Guiding Principles of Inner-Party Political Life" that no party member "should publicize in the mass media opinions which are antagonistic to the decisions of the central authorities, nor should he spread among the masses opinions antagonistic to the party's line, principles, policies and resolutions." "Confidential information of the party must not be disclosed to people outside the party." These stipulations, to a certain extent, are special restrictions on the party members' freedom of speech. Being members of the Communist Party, we should not take freedom of speech as a pretext for spreading or publicizing opinions which oppose the policy of the Central Committee or which are antagonistic. This is not permitted by party discipline.

The communique of the party's 5th Plenary Session of the 11th CCP Central Committee stipulated: "It is the unswerving policy of our party that we should display socialist democracy, perfect the socialist legal system, guarantee the masses sufficient rights and opportunities to express their opinions on national affairs, raise proposals or criticisms to the leaders of the party and the People's Government." The purpose of correctly understanding and exercising the right of freedom of speech is precisely to do an even better job of implementing this principle. So long as we continuously eliminate all interference on the question of freedom of speech, then, this right widely enjoyed by the masses will definitely play a more and more positive role in the course of socialist progress.

NATIONAL WORK CONFERENCE ON WORKERS EDUCATION ENDS

OW280544 Beijing Domestic Service in Mandarin 1200 GMT 27 Mar 81

[Text] The national work conference on educating staff and workers ended on 26 March. The conference emphatically held: Stepping up the education of the staff and workers is a strategic step to lead our modernization drive onto the road of sound development that requires little investment and yields good economic results. All areas and departments should strengthen their leadership and coordinate their efforts well in order to do a truly good job in this task.

Participants in this conference were unanimous that in working for our modernization, it is imperative to bring into full play the role of existing enterprises and to expand social production by enhancing labor efficiency and economic effects. This makes it still more necessary to pay the highest attention to training staff and workers. Success in training staff and workers should be made one of the major criteria for evaluating and rating leading cadres, enterprises and all other undertakings.

Participants said: The central authorities have demanded that staff and workers all undergo training once step by step in a planned way during the sixth 5-year plan. This is a glorious yet arduous task and must be accomplished by all means. In carrying out this task, formality must be done away with, and positivity and steadfastness are a necessity. It is essential to pay attention to quality and the practical results of training. New avenues of schooling must be opened up and more types of schools encouraged. All areas and departments should make further efforts to establish and perfect their training projects for workers, form as steady as possible a contingent of teachers, promote the spirit of plain living and hard work and run existing training bases well.

Yao Yilin, vice premier of the State Council, Kang Keqing, chairman of the All-China Women's Federation, and Jiang Nanxiang, minister of education, attended and addressed the conference.

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SONG RENQIONG, OTHERS CONGRATULATE PRC ATHLETES

OW281528 Beijing XINHUA in English 1518 GMT 28 Mar 81

[Text] Beijing, 28 Mar (XINHUA)--Chinese football, ice hockey and volleyball teams were recognized this afternoon for excellence and their contribution to China's international image. Other sportsmen and coaches who have won prizes in gymnastics, go chess and model airplane international contests were also cited at the meeting.

At a meeting sponsored by the Central Committee of the Communist Youth League and the Chinese Physical Culture and Sports Commission, the teams were congratulated by Song Renqiong, member of the Secretariat of the Central Committee of the Chinese Communist Party, for their performance in the World-Cup Asian-Oceanian Zone Group 4 qualifying football tournament, the recently staged world ice hockey pool "C" championships and the World Cup Asian zone qualifying volleyball tournament. Song extended his congratulations saying, "The Chinese sportsmen have achieved excellent results at the tournaments at home and abroad, winning honors for the motherland. Their achievements have inspired the fighting spirit of the nation and the people all over the country." He encouraged the continued development of Chinese sports, especially among young people, and was optimistic all Chinese athletics would soon be up to world levels.

Also speaking at the meeting were Gao Zhanxiang, member of the Secretariat of the Youth League Central Committee, and vice minister of the Physical Culture and Sports Commission Rong Gaotang.

One of those voted best players at the volleyball tournament, Wang Jiawei, said the teams would go on to win greater competitions and honor for China. Also at the meeting were Yang Jingren, vice premier of the State Council, other members of the Physical Culture and Sports Commission, the Central Committee of the CYL, the Ministry of Education, the All-China Sports Federation, the All-China Federation of Trade Unions, the All-China Women's Federation and the People's Liberation Army.

BO YIBO ATTENDS MEMORIAL SERVICE FOR ECONOMIST

OW290522 Beijing XINHUA Domestic Service in Chinese 1522 GMT 28 Mar 81

[Text] Beijing, 28 Mar (XINHUA)--Guan Datong, economist, deputy director of the State General Administration of Industry and Commerce and deputy secretary of the administration's party organization, died of illness in Beijing at the age of 67 on 27 February 1981.

Under the guidance of Marxism-Leninism-Mao Zedong Thought, Comrade Guan Datong devoted his life to the revolutionary cause of the party and the people since he joined the Chinese Communist Party in October, 1936. He worked assiduously in his study of economic theories concerning socialist construction and contributed to reforming capitalist industry and commerce as well as to developing the administration of socialist industry and commerce.

A memorial service for Comrade Guan Datong was held at the auditorium of the Babaoshan Cemetery for Revolutionaries in Beijing on the morning of 28 March. Among those comrades who sent wreaths were Deng Xiaoping, Li Xiannian, Chen Yun, Zhao Ziyang, Bo Yibo, Wan Li, Gu Mu, Song Renqiong, Hu Qiaomu and Yao Yilin. Those present at the memorial service were Bo Yibo, Yang Young and Duan Junyi.

BUILDING MATERIALS CONFERENCE HELD 16-25 MARCH

OW280811 Beijing XINHUA Domestic Service in Chinese 1143 GMT 27 Mar 81

[Text] Beijing, 27 Mar (XINHUA)--The building materials industry should be geared to the needs of the 1 billion people. It is necessary for this industry to do so in order to solve practical problems that call for immediate solution, and this also represents the orientation which the industry should develop in the future. This is a unanimous view expressed by those attending the national conference of bureau directors in charge of building materials.

The national conference was held by the Ministry of Building Materials from 16 to 25 March. The conference decided that the building materials industry should be geared to the needs of the 1 billion people and adopt the principle of positive development during the period of readjusting the national economy. The building materials industry should base itself on its existing enterprises, do a good job in capital construction, reform its management system and make vigorous efforts to increase the production of building materials, especially those needed by peasants for building houses, in order to bring about a fairly quick development of the industry. Delegates to the conference pointed out that the building materials industry is now faced with the two following new situations:

1. In the course of readjusting the national economy, the scale of capital construction is reduced, but the rate of increase in urban housing construction and other nonproductive construction is still considerable. More than 78 million square meters of floor space were completed in urban housing construction in 1980, an all-time high since nationwide liberation. In 1980 the state's investment in nonproductive construction accounted for more than 30 percent of its total investment in capital construction. The state requires that the scale of housing construction in 1981 should not be smaller than 1980 and that continuous efforts should be made to build municipal works, public utilities and buildings to house cultural, educational, scientific and public health facilities.

2. With the implementation of the party's rural economic policies, agricultural production has developed fast and peasants' income has increased. As a result, more and more people want to build houses. According to surveys conducted in some key areas as well as communes and production brigades and teams, the peasants bought things in the following order in the past: food, clothing, necessities, firewood and housing. But the order is now: Housing, necessities, clothing, food and firewood. Approximately 14 percent of the peasant families in the country have built new houses in the past 3 years. The house for a peasant family has a floor space of 70 square meters in the north and a floor space of 90 square meters in the south. According to incomplete statistics compiled by 26 provinces, municipalities and autonomous regions, about 6.4 million peasant households are planning to build houses this year.

This situation calls for the building materials industry to produce large quantities of cement, glass, pottery and porcelain for sanitation use, new-type building materials, bricks, tiles and other materials. While ensuring that the needs of big-and medium-sized construction projects included in the state plan are met, this industry should also provide building materials urgently needed by people in the urban and rural areas for housing construction. However, the building materials industry is still a weak link in the national economy. It still cannot produce a large variety and large quantities of products, and the quality of its products is not high either.

To change the backwardness of the building material industry, the conference called for making positive readjustment, doing a good job in consolidating existing enterprises and tapping production potential.

Thus the building materials industry should concentrate its main efforts on filling its own gaps, improving the situation in which technological processes are irrational, sets of equipment are incomplete and production links are weak and improving comprehensive production capabilities as well as technical and economic results. Efforts should be made to improve the quality of products, to increase the variety of designs and colors and to lower consumption of raw materials.

Small building materials enterprises should be consolidated, transformed and improved. Some enterprises with very poor conditions which incur serious losses should be merged with other enterprises with better conditions or change the line of production. Some should be closed and have their operations suspended.

As for projects which the state has already decided to continue, the conference called on various localities to concentrate their efforts on building such projects, to shorten the periods of construction, to realize returns on such investments as soon as possible and to increase their production capabilities.

The conference also pointed out: A good job should be done in building bases for building materials according to local conditions, and efforts should be made to improve production technology up to standard, to have complete sets of equipment, to continuously improve the quality of new building materials and to reduce production costs.

FOREIGN ECONOMISTS SYMPOSIUM VIEWS PRC READJUSTMENT

OW281515 Beijing XINHUA in English 1506 GMT 28 Mar 81

[Text] Hangzhou, 28 Mar (XINHUA)--China's current economic readjustment is "realistic", according to a number of foreign and overseas economists and businessmen attending the world economy symposium, which closed here today.

This readjustment, according to Dr Peter Drysdale from Australian National University, represents a "sensible approach" to the management of balancing development, with respect to international payment, and also to domestic consumption and investment.

"Strong international payment and a strong control of domestic inflation," he said, would be highly evaluated by people abroad. Stress on agriculture, light industry and the complementary development in the communications and transportation, he added, would meet the needs of the people for consumer goods and help develop exports.

Fung King Hey, chairman of the Sun Hung Kai (China) Ltd in Hong Kong, said that China's current economic readjustment was very much an effort to undertake what was within the country's means and adjustments were made in accordance with economic principles.

Gunther Schmidt-Weyland, member of the board of managing directors of the DG Bank of West Germany, welcomed China's move to expand medium-sized enterprises. He said he hoped to see their development of relations with similar undertakings in other countries. "More medium-sized factories mean more distribution of industries in the country and benefit to more people. More people will be educated and trained in these factories," he said. He held that it is of great significance for China to develop agriculture and increase food production. "Because food in the future will become much more expensive due to various factors, he predicted.

COMMERCE MINISTRY PREDICTS GOOD YEAR IN 1981

OW290818 Beijing XINHUA in English 0736 GMT 28 Mar 81

[Text] Beijing, 28 Mar (XINHUA)--The Ministry of Commerce predicts that this year's supply of commodities, especially consumer goods, will surpass that of last year. The forecast says prices will remain stable and trading on both urban and rural markets will remain brisk.

The forecast was announced at a ministry meeting being held here to discuss work for 1981. Commercial bureau directors from all parts of the country attended the meeting.

The total volume of retail sales last year was 18 percent higher than in 1979, and sales of foodstuffs, clothing and articles of daily use increased and will continue to rise, according to the ministry. The forecast says rural purchasing power in 1981 will rise faster than urban purchasing power. The demand for consumer goods will grow faster than the demand for means of production. A growing need for high-grade and durable goods, children's clothing, toys and building materials for housing is predicted.

Much work needs to be done to meet the growing needs of consumers, and arrangements are being made to ensure the basic needs of the people, according to the meeting. The central and local governments are devoting more attention to improving market supply and measures have been taken to develop agriculture and expand production of consumer goods. China's light industry is expected to increase production by eight percent this year, according to the ministry.

The production of goods in heavy demand--including bicycles, sewing machines, wrist watches, tape recorders, TV sets, furniture, building materials for rural housing construction, high-grade textiles, cigarettes and alcoholic beverages--will be boosted, according to the ministry. In addition, the supply of small articles and goods used by national minorities will be increased.

In order to meet this year's goals, the ministry urged commercial workers to expand business in accordance with state plans to ensure a stable market.

The ministry recommended that commercial workers:

- cooperate with industrial departments in their efforts to readjust production, and increase purchases and sales of urgently needed goods;
- help boost production of vegetables, meat and other non-staple food and ensure adequate supplies to cities and industrial centers;
- implement the state price policy to help stabilize prices;
- expand rural markets and send more industrial products to the countryside, improve management and accelerate circulation of funds;
- increase catering, repairing and other service trades.

Collective and private shops should be developed in addition to state-operated stores.

ANHUI PROVINCE COMBATS CRIMINAL ACTIVITIES

ANHUI RIBAO Article Cited

OW281257 Hefei Anhui Provincial Service in Mandarin 1100 GMT 27 Mar 81

[Report on ANHUI RIBAO 27 March commentator's article: "Strike Relentless Blows at Criminal Activities, Maintain Social Order and Safeguard the Four Modernizations Program"]

[Excerpts] The article says: Since the beginning of this year, public security and judicial organizations at all levels and all the public security cadres and policemen in Anhui Province have waged a vigorous struggle against criminal offenders, in accordance with the guidelines of the party Central Committee's work conference, under the leadership of the party and government and relying on the broad masses. Achievements have been made in strengthening the people's democratic dictatorship and safeguarding public security.

However, problems accumulated in the 10 years of turmoil are numerous, and there still are many problems in the field of public security. To safeguard people's lives, property, and social order, and to ensure political stability and smooth economic readjustment, party and government leadership at all levels must adopt effective measures to resolutely strike at criminal activities. It is especially important to concentrate all forces for dealing blows at murderers, robbers, rapists, thieves, criminal gangs and other criminal offenders who seriously endanger social order, dealing with them promptly and severely according to law. We must resolutely curb the arrogance of criminal offenders and must not be soft.

The article says: This criminal case in Maanshan Municipality shows us that to maintain the stability of social order it is imperative to strengthen the comprehensive administration of public security. The public security organs must do their work well. In addition, we must rely on the masses. We must mobilize and organize the forces in all sectors of society and fully rely on the masses of the people to wage a resolute struggle against lawbreaking and criminal activities.

Activists who care to step forward bravely, fight against evildoers and evil deeds and make contributions to safeguarding public security should be energetically commended and supported. Attention should also be paid to protecting their safety. Those who fail to come to the rescue of people in mortal danger or shrink back or dodge from criminal offenders should be criticized and educated as necessary for their erroneous behavior.

In view of the fact that a rather large proportion of the criminal offenders are young people, it is necessary to pay special attention to education of the young people, to heal the spiritual wounds sustained by some of them during the 10 years of turmoil. It is necessary through the "five stresses" and "four beauties" activities to foster good morality and practices among the young people. It is necessary to make serious efforts to do a good job in helping and educating the young people who have violated the law and committed crimes.

Rape Case Makes Example

OW272138 Beijing XINHUA Domestic Service in Chinese 1210 GMT 27 Mar 81

[Excerpts] Hefei, 27 Mar (XINHUA)--The Maanshan Municipal CCP Committee and the Anhui Municipal People's Government have learned from the case of rapist Zhang Yuangen, taken effective measures and mobilized and relied on the masses to deal a resolute blow at criminal activities.

After this extremely serious criminal case happened, the Maanshan municipal party committee held a number of brief secretaries' meetings and Standing Committee meetings to discuss questions pertaining to this case. They pointed out: It is necessary to criticize and educate those who stood by with folded arms while the crime was committed.

However, the municipal committee and the municipal government are mainly held responsible for failing to understand social security work well. At the meetings secretaries and Standing Committee members of the municipal party committee who were separately in charge of public security work and political and judicial work carried out self-criticism, and Cui Jianxiao, first secretary of the municipal party committee, bore the responsibility of his own initiative.

On 26 March, Maanshan Municipality held a 10,000-people judgment-pronouncing rally. Liu Fengming, vice president of the municipal Intermediate People's Court, declared at the rally that the court sentenced rapist Zhang Yuangen to death according to law with a 2-year reprieve, and that his political rights are forfeited for life. The broad masses voiced resolute support for this solemn and just judgment.

[Hefei Anhui Provincial Service in Mandarin at 1100 GMT on 27 March broadcasts a 4-minute XINHUA report on the above-mentioned rally. The report notes: According to RENMIN RIBAO, after this case occurred, leading comrades of the central authorities showed great concern. The Anhui Provincial CCP Committee also paid great attention to the case, held special meetings and called for responsible departments to seriously handle the case according to law.]

ZHANG JINGFU CALLS FOR INCREASED COAL PRODUCTION

OW290843 Hefei Anhui Provincial Service in Mandarin 1100 GMT 28 Mar 81

[Text] The Huaibei Mining Bureau held a mobilization meeting on "producing 13 million dun of coal for the state and the people to promote the four modernizations" on the morning of 28 March. Zhang Jingfu, first secretary of the provincial CCP Committee, and Li Kuisheng, vice minister of the coal industry, attended the meeting. Comrade Zhang Jingfu addressed the meeting.

On behalf of the provincial CCP Committee, Comrade Zhang Jingfu extended the sincerest solicitude and respect to the 80,000 workers and staff members working on the forefront of coal production. He pointed out emphatically that while capital construction projects had to be curtailed, production, coal production in particular, had to be developed. For example, to fulfill tobacco production plans for Fuyang and Chuxian Prefectures this year, it was first of all necessary to guarantee a sufficient supply of coal. He encouraged workers and staff members of the Huaibei Mining Bureau to take the whole situation into consideration, help the state to overcome difficulties and produce more coal to support the four modernizations.

At the meeting (Ma Jilin), first secretary of the party committee of the Huaibei Mining Bureau, on behalf of all workers and staff expressed their determination to produce another 100,000 dun of coal to support tobacco production in Fuyang and Chuxian Prefectures in addition to fulfilling the annual state production quota of 12.6 million dun of coal as well as plans to increase production by 400,000 dun this year.

FUJIAN CPPCC STANDING COMMITTEE MEETS; WU PRESIDES

OW290814 Fuzhou Fujian Provincial Service in Mandarin 1035 GMT 28 Mar 81

[Text] The Standing Committee of the Fourth Fujian Provincial CPPCC Committee held its 10th session in Fuzhou 25-27 March. Wu Hongxiang, chairman of the provincial CPPCC Committee, presided over the meeting. The participating Standing Committee members had attended the eighth session of the provincial People's Congress standing committee and heard Comrade Cai Li relay the guidelines of the 17th session of the 5th NPC Standing Committee. They unanimously supported the important principle of making further economic readjustment and ensuring further political stability established by the central work conference.

The Standing Committee members maintained: Readjusting the national economy is not only a decisive factor in stabilizing China's economy, but also has a profound significance on eliminating the influence of the leftist ideas in China's economic work, on truly proceeding from the actual condition of China and on confidently accomplishing the grand goal of the four modernizations.

They pledged to offer their suggestions and to contribute to the province's economic readjustment and political stability.

The meeting discussed matters related to holding the third session of the fourth provincial CPPCC Committee. It decided that the third session of the fourth provincial CPPCC Committee will be held in Fuzhou on 28 March. It also endorsed the agenda for the plenary session of the committee and the work report of the provincial CPPCC Committee Standing Committee and elected (Guo Zhengfu) and (Yao Changyi) as new members of the provincial CPPCC Committee.

FUJIAN CPPCC COMMITTEE HOLDS THIRD SESSION

OW281439 Fuzhou Fujian Provincial Service in Mandarin 1035 GMT 28 Mar 81

[Text] The third session of the Fourth Fujian Provincial CPPCC Committee was opened ceremoniously in Fuzhou Municipality this afternoon. The main tasks of the session are to further unite the people of all nationalities and patriotic personages in all walks of life throughout the province to work with one heart and one mind, pool their wisdom and efforts and strive to implement the guidelines of the work conference of the party Central Committee; to hear and examine the work report of the Standing Committee of the current provincial CPPCC Committee; and to attend the third session of the fifth provincial People's Congress as nonvoting delegates and, together with the people's deputies of the province, discuss such major topics as the country's political life, economic readjustment in Fujian Province and various important issues in implementing special policies and flexible measures.

Juan Gai, vice chairman of the provincial CPPCC Committee, presided over the opening ceremony. Wu Hongxiang, chairman of the provincial CPPCC Committee, made the opening speech. Chen Xizhong, vice chairman of the provincial CPPCC Committee, made the work report of the Standing Committee. Guo Ruiren, Lu Haoran, Luo Bingqin, Wei Jinshui, Ni Songmao, Zheng Danfu and Zuo Fengmei, vice chairmen of the provincial CPPCC Committee, attended the meeting.

In his opening speech, Chairman Wu Hongxiang said: We should continue to conscientiously study and resolutely and unwaveringly implement the party's line, principles and policies formulated since the 3d plenary session of the 11th party Central Committee and the important policy decision of the work conference of the party Central Committee, and be activists promoting economic readjustment and activists promoting stability and unity. We should strengthen investigation and study, pay attention to the new situation and new problems in the course of economic readjustment, and promptly express opinions and make proposals to the government departments concerned. We should actively develop our work, bring into full play the role of experts, scholars and technical personnel in all fields and enable them to suggest ways and means to ensure the country's long-range order and stability. We should energetically assist the party and government in doing good propaganda work and ideological and political work, commending good people and good deeds, promoting the spirit to do solid work and carrying forward the fine tradition of hard work and plain living. We should actively cooperate with the party and government and various circles of society in doing a good job in educating the young people, carrying forward the idea of patriotism, enhancing the national pride and confidence, fostering communist values and energetically supporting the vigorously ongoing "learn from Lei Feng and foster new practices", and the "five stresses" and "four beauties" activities.

Wu Hongxiang called on all the CPPCC Committee members and personages of various circles to advance courageously under the guidance of the correct line of the Chinese Communist Party and the direct leadership of the Fujian Provincial CCP Committee to firmly implement the important principle of economic readjustment and political stability, accomplish the great cause of reunification with Taiwan's return to the motherland and oppose hegemonism and safeguard world peace.

Vice Chairman Chen Xizhong in the work report of the Standing Committee of the provincial CPPCC Committee reviewed the work since the second session of the fourth provincial CPPCC Committee in December 1979, affirming achievements and summing up experience, and put forward specific opinions with regard to the future work of the provincial CPPCC Committee.

The session approved a list of members to form the Motions Examination Committee. From 29 March, the session will begin panel discussions of the work report of the Standing Committee of the provincial CPPCC Committee and will attend the third session of the fifth provincial People's Congress as nonvoting delegates.

FUJIAN PEOPLE'S CONGRESS SCHEDULES 30 MAR SESSION

OW290720 Fuzhou Fujian Provincial Service in Mandarin 1035 GMT 28 Mar 81

[Text] The Standing Committee of the fifth Fujian Provincial People's Congress held its eighth session from 25-27 March. The meeting decided that the third session of the fifth provincial People's Congress will be held in Fuzhou on 30 March. The meeting heard a report on the preparatory work for holding the third session of the fifth provincial People's Congress and examined the documents and drafts to be submitted to the third session.

At the meeting, Vice Chairman Cai Li relayed the guidelines of the 17th session of the 5th NPC Standing Committee. During the discussion, the provincial people's Congress Standing Committee members expressed their warm support for and pledged to resolutely implement the resolutions adopted by the 17th session of the 5th NPC Standing Committee. In connection with the province's actual conditions, they offered constructive suggestions regarding national economic readjustment in Fujian and the establishment of special zones. The Standing Committee members maintained: In readjusting the economy, we must strengthen ideological and political work, earnestly do preparatory work well and review the work at regular intervals. Regarding projects and enterprises which are to be closed, stopped, merged and transferred to other lines of production, we must mobilize the masses to offer suggestions and work out truly effective measures to prevent loss and waste of state property. Particular attention should be paid to making reasonable use of talented people so that capable people may fully develop their talents, thereby preventing the loss and waste of talented people.

The meeting heard a report by (Liao Zhuxi), deputy director of the provincial Civil Affairs Department and of the provincial Election Affairs Committee office, on the direction of elections at county and commune levels throughout the province.

In view of the fact that Comrade Jiang Liyin had been to the countryside with an unlicensed hunting rifle, which accidentally went off and killed the responsible comrade of the Longyan Prefectural CCP Committee--a serious mistake which has had an extremely bad influence--the meeting discussed and adopted a resolution recalling the qualification of Comrade Jiang Liyin as Fifth NPC deputy.

Attending the meeting were Vice Chairmen of the provincial People's Congress Standing Committee Cai Li, Liu Yongsheng, Wang Zhi, Jia Jiumin, He Minxue, Chen Xizhong, Fu Baicui, Hou Linzhou, Ren Manjun and Li Wenren. Sitting in on the meeting were responsible comrades of the provincial Higher People's Court, the provincial People's Procuratorate and the responsible departments of the provincial People's Government. The provincial CPPCC Committee's Standing Committee members who recently attended the Standing Committee's 10th session in Fuzhou also attended the 25 March meeting as observers and heard the report relaying the guidelines of the 17th session of the 5th NPC Standing Committee.

FUJIAN CONGRESS PRESIDIUM, SECRETARY GENERAL NAMED

OW300925 Fuzhou Fujian Provincial Service in Mandarin 1035 GMT 29 Mar 81

[Text] A plenary preparatory meeting of the third session of the fifth Fujian Provincial People's Congress was held on the afternoon of 19 March [date as heard].

The preparatory meeting was presided over by Cai Li, vice chairman of the provincial People's Congress. Vice Chairman Wang Zhi reported to all deputies on the preparatory work for the congress. The meeting elected the presidium and secretary general for the third session of the provincial People's Congress and endorsed the agenda for the session and the namelists of members of the Motions Examination Committee, the Budget Committee and the Credentials Committee.

The namelist of the presidium endorsed by the meeting comprises 54 persons. Listed according to the number of strokes in their surnames, they are:

Wang Zhi; Wang Hanjie; (Wang Fangqin); (Shen Jiushun); (Lan Zimei), female; (Hong Desi); (Lu Sheng); Lu Haoran; Lu Zixi; (Bao Wangmin); (Ye Pulin), female; Wu Hongxiang; (Shu Shaoqing); (Zhu Yaohua); Ren Manjun, female; Liu Yongsheng; (Liu Yongye); (Li Tianrui); (Li Zhengqin); (Li Lairong); (Li Huazhi); Li Wenren; (Yang Bu); (He Ruoren); (Hu Zhenwen); (Lu Zifen); (Lu Weite); (Shen Hui), female; (Chen Shengyuan); Chen Xizhong; (Chen Malin), female; (Lin Shaoqing); Xiang Nan; (Hao Zhaowen); Hou Linzhou; (Hong Le); (Hong Xiuzhong); He Minxue; (Huang Fulin); Yuan Gai; Jia Jiumin; (Jia Yuanzi); (Yu Tianlin); (Guo Shuyao); (Sheng Guorong); (Cheng Shaokang); (Zhi Shichang); Fu Baicui; (Wen Xiushan); Cai Li; Cai Liangcheng; (Cai Qirui); Liao Zhigao and (Pan Zhongyu).

The meeting elected Hou Linzhou as secretary general.

BRIEFS

SHANDONG ENTERPRISES--Commune-run enterprises in Shandong Province recently held a conference which stressed the need for commune-run enterprises to further implement State Council regulations on development of commune and brigade-run enterprises. In 1980, in the midst of readjustment which resulted in the closure or merger of 767 enterprises, the province's commune and brigade-run enterprises increased output value by 13.4 percent over the 1979 level. Furthermore, they conserved 83,000 tons of coal, 3,700 tons of crude oil and 4.5 million kWh of electricity. The conference also noted that commune-run enterprises are prohibited from manufacturing white wine, cigarettes, synthetic ammonia, soaps and bone glue. [Jinan Shandong Provincial Service in Mandarin 1100 GMT 13 Mar 81 SK]

SHANDONG JUVENILE MEETING--Under the leadership of the Shandong Provincial CCP Committee, the provincial meeting of representatives of units distinguished in juvenile education was held in Jinan Municipality on the morning of 27 March. Attending the meeting were responsible comrades of the provincial CCP Committee and the provincial People's Government, including Li Zhen, Gao Qiyun, Wang Jinshan, Xu Jianchun, Lin Ping and Ding Fangming. Comrade Gao Qiyun, secretary of the provincial CCP Committee, spoke at the meeting. He called on various departments concerned to vigorously educate and show concern for the young people to enable them to make contributions to the four modernizations. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 27 Mar 81 SK]

ZHEJIANG INDUSTRY CONFERENCE--The Zhejiang provincial conference of the Second Light Industry Bureau ended in Hangzhou 24 March. The meeting participants pointed out that the necessity for eliminating the influence of the leftist ideology in order to increase production of consumer goods for daily use. The participants noted that to increase production of consumer goods enterprises with better equipment and technology should shift to producing first-grade and second-grade products. Farm implement and machinery plants, which do not have much to do, should shift to producing daily necessities. (Cui Jian), deputy secretary of the provincial CCP Committee, addressed the conference. [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 25 Mar 81 OW]

ZHEJIANG AFFORESTATION--As of 10 March, 557,000 mu of land in hilly areas were leveled, 520,000 mu afforested, and 21 million trees were planted around houses and along rivers, roads and ditches in various parts of Zhejiang Province. Before the advent of the 1981 spring festival, 6.8 million yuan of subsidy, 77.5 million jin of grains and 1,879 dun of chemical fertilizer were allocated in Zhejiang to support spring afforestation and the cultivation of saplings. [Hangzhou Zhejiang Provincial Service in Mandarin 1100 GMT 11 Mar 81 OW]

YE JIANYING, WANG ZHEN INSPECT GUANGDONG ZONE

HK300029 Guangzhou Guangdong Provincial Service in Mandarin 2330 GMT 29 Mar 81

[Text] CCP Central Committee Vice Chairman and NPC Standing Committee Chairman Ye Jianying and Political Bureau member Wang Zhen recently inspected Zhuhai Municipality and Zhongshan County accompanied by Guangdong Provincial CCP Committee Secretary Wu Nansheng. They listened to work reports delivered by Zhuhai Municipal CCP Committee Secretary (Wu Jianmin) and Zhongshan County CCP Committee Secretary (Li Yaoqi). Comrade Ye Jianying inspected the Zhuhai special zone last April. He and Comrade Wang Zhen felt very happy over the economic construction developments of the zone in the past year. They showed great concern for agricultural production and the people's livelihood in Zhongshan County and also left happy over the new achievements of the county in tourism and other work. They repeatedly urged the leading comrades of Zhuhai Municipality and Zhongshan County to continue to work hard, follow the central principles and policies and do well in building the economic zone and in agricultural production and all other work.

During their visits to Zhuhai Municipality and Zhongshan County, Comrades Ye Jianying and Wang Zhen also paid a special visit to Cuiheng Village to see Mr Sun Yat-sen's old dwelling and the Xiangzhou martyrs' tomb.

GUANGZHOU PLA OUTLINES MEASURES TO COMBAT LEFTISM

HK280234 Guangzhou Guangdong Provincial Service in Mandarin 1120 GMT 27 Mar 81

[Text] The CCP Committee and leading organs of the Guangzhou PLA units have applied the method of criticism and self-criticism in connection with the reality of work and ideology in the units to seriously check on their understanding and implementation of the party's line, principles and policies since the third plenary session. They have taken the lead in clearing away erroneous leftist influences, summed up experiences and lessons, unified understanding and strengthened unity.

In the previous period, some comrades lacked sufficient understanding of the party's line, principles and policies established since the third plenary session. They regarded the supplements and improvements in certain policies and changes in basic guiding principles. They regarded certain problems in implementing the policies as problems of the policies themselves. They regarded certain erroneous trends of thought and unhealthy tendencies that arose in society as the results of carrying out the policies. They wondered whether the party's principles and policies had deviated and become rightist.

Analyzing this, the Guangzhou PLA units CCP Committee held: The crux of these problems is the fact that people are haunted by erroneous leftist influences. Although these muddled ideas appeared in the PLA units, we failed to detect and solve them in good time. This shows that erroneous leftist influences also exist among the CCP Committee and the leading organs. Hence they lacked sufficient understanding of these problems in the units. The CCP Committee therefore regarded clearing away erroneous leftist influences as the central content of studying and implementing the spirit of the central work conference and the all-PLA political work conference. It was stressed that the CCP Committee and leading organs must stand in the forefront and take the lead in clearing away leftist influences in their own thinking.

At a political work conference held by the Guangzhou PLA units, Xiang Zhonghua, the principal responsible comrade of the CCP Committee, first conducted a self-examination to the comrades attending the conference and organ cadres at and above regimental level. He introduced his experiences in studying the party's line, principles and policies since the third plenary session, citing 14 aspects including the shift of party work focus, estimation of the current class situation in China, upholding the four basic principles, improving and strengthening party leadership, exposing and criticizing the Lin Biao and Jiang Qing counterrevolutionary cliques, rehabilitating the victims of miscarriages of justice, the rural production responsibility systems, and the principles of economic readjustment.

He also analyzed the expressions, root and harmful nature of erroneous leftist influences in connection with the reality of the work in the units and of individual thinking. He also answered a number of common problems among the cadres and fighters. This greatly enlightened everyone.

The comrades unanimously held: The mistakes made by our party in the past 20 and more years are in the main leftist mistakes. We have worked and studied under the guidance of leftist ideology for a long time. We have regarded leftist stuff as the correct line and publicized and implemented it. Our minds are branded with leftism in varying degrees. In addition, people like Huang Yongsheng and Ding Sheng ran affairs in our Guangzhou PLA units for many years and vigorously pushed the ultraleftist goods of Lin Biao and the gang of four. The pernicious influence of this was both deep and extensive. In this sense, it is extremely important to first clear away the influence of leftist mistakes from our leaders and leading organs.

The Guangzhou PLA units CCP Committee and leading organs have concentrated time and effort in settling out the expressions of leftism, digging up the roots, and actively carrying out criticism and self-criticism. They examined and took stock of their own state of kind and stressed summing up experiences and lessons in four aspects:

1. Being accustomed to grasping class struggle and organizing political movements. No matter what work we did, we always had to get things going with mass criticism. The moment it was said that we should not take class struggle as the key link, we held that class struggle had been abandoned.
2. Being accustomed to egalitarianism and making the transition in a state of poverty. Ideologically we formed the one-sided view that poverty equals socialism and riches equal capitalism. The moment it was said that various forms of the production responsibility system would be instituted in the rural areas and that some people would be allowed to become rich before others, we equated this with restoration and retrogression.
3. Being accustomed to superficially grand and spectacular things and to indulging in sham, great and empty talk. The moment economic readjustment was mentioned we felt disheartened and depressed and lacked confidence in it.
4. Ideologically we were unable to shake off the bindings of the two "whatevers." We regarded certain supplements and improvements made in party principles and policies in the wake of changed objective conditions as changes of policy, and became alarmed by perfectly normal things.

Many comrades said with feeling: Due to the erroneous leftist influences over many years, we formed a leftist pattern from ideological methods to work methods and always applied it to understand problems and guide work. Leading party cadres and leading organs bear great responsibility in commanding thousands of troops. It is particularly important that they seriously eliminate erroneous leftist influences.

The Guangzhou PLA units CCP Committee held: Completely eliminating erroneous leftist influences is an extremely arduous political task. We must carry out long-term, arduous and meticulous ideological work and conduct it regularly and repeatedly. The committee decided to take the following measures:

1. To vigorously promote criticism and self-criticism in the CCP Committee and the organs and hold periodic democratic life meetings. Comrades should regularly have a frank exchange of views. Patient guidance and help should be provided for certain comrades who have been rather deeply influenced by leftism.
2. To strengthen study of Marxism-Leninism-Mao Zedong Thought. Apart from engaging in on-the-job study, leading members of the CCP Committee and cadres at and above regimental level in the organs take turns to attend theoretical training courses for cadres at and above divisional level. They study Marxism-Leninism-Mao Zedong Thought and socialist political economy. By integrating theory with practice, they can truly understand the party's line, principles and policies since the third plenary session.

3. To organize the members of the CCP Committee and leaders of the organs to lead 26 work groups down to the units to help and guide the cadres and fighters to study and implement the spirit of the central work conference and the all-PLA political work conference and eliminate erroneous leftist influences, and also to investigate and find out the ideological state of the cadres and fighters and the state of combat-readiness training. The groups then come back to the organs to conduct analysis and study. They view the leaders in the light of the units and carry out further elimination of erroneous leftist influences.

Good results have been produced from carrying out these measures several times a year.

HUNAN'S MAO ZHIYONG VIEWS LEFTIST MISTAKES, HARMS

OW300332 Changsha Hunan Provincial Service in Mandarin 2315 CMT 28 Mar 81

[Text] The Hunan Provincial CCP Committee recently held an enlarged meeting of its Standing Committee to conscientiously study and implement the guidelines established by the work conference of the party Central Committee, to eliminate the influence of leftist ideas through criticism and self-criticism according to actual conditions and to sum up experiences and lessons. As a result, those attending the meeting have further raised their consciousness in implementing the party's line, principles and policies established since the 3d Plenary Session of the 11th CCP Central Committee.

Those attending the enlarged meeting included the secretaries of various prefectural and municipal party committees and responsible comrades of units at or above the bureau level and directly under the provincial authority. The meeting opened on 17 March and concluded on 27 March.

At the meeting, Mao Zhiyong, first secretary of the provincial party committee, gave a speech on the major manifestations and harms of leftist mistakes and on how to draw a lesson from this experience. Second Secretary Wan Da and Secretary Sun Guozhi of the provincial party committee also addressed the meeting.

In his speech, Mao Zhiyong reviewed the history of Hunan, dealt with the major manifestations of leftist ideas in various periods and the harms caused by leftist mistakes and analyzed the root causes of leftist mistakes. On behalf of the provincial party committee, he took the responsibility for these mistakes. Then, he dealt with the seven preliminary lessons and experiences summed up by the Standing Committee of the provincial party committee.

1. It is imperative to uphold the principle of seeking truth from facts and proceeding from reality in doing everything.
2. It is necessary to understand and handle correctly the question of class struggle.
3. It is necessary to firmly trust the overwhelming majority of the cadres.
4. It is essential to handle affairs according to the actual conditions of the country and our province.
5. It is necessary to have a fine democratic work style.
6. It is necessary to overcome onesidedness in our way of thinking.
7. It is essential to enhance our understanding of Marxist theory.

A democratic atmosphere prevailed at the meeting. Out of their love and concern for the provincial party committee and with a serious and responsible attitude, comrades at the meeting helped the provincial party committee correct its leftist mistakes in the spirit of seeking truth from facts.

With Hunan's actual conditions in mind, comrades at the meeting spoke their minds or aired their views freely. They discussed the manifestations of leftist mistakes in the past as well as around the time the 3d Plenary Session of the 11th CCP Central Committee was held.

In addition to helping the provincial party committee eliminate its leftist ideas, they conscientiously eliminated any such ideas of their own. They held that leftist ideas have had a widespread influence in Hunan and have done it great harm. Such ideas are a chronic and stubborn disease in the province. With a long history in the province, leftist ideas have manifested themselves in various fields and aspects.

Some comrades said: Leftist ideas have not been correct for a long time mainly because people have been confused theoretically and ideologically and have been accustomed to these ideas in work. As a result, they have habitually considered questions from the leftist point of view and have habitually done their work with leftist methods. Thus, they are accustomed to leftist views and do not even consider them leftist.

The provincial party committee has long carried two pieces of baggage on its shoulders:

- 1) Stressing Hunan's special political status, the provincial party committee has been intoxicated with a sense of being privileged and honored and with a sense of superiority.
- 2) Being blindly arrogant and complacent, the provincial party committee has always regarded industrial and agricultural production as pretty good, which is actually a mental burden. It has also tried to cover up leftist things.

Those present cited a host of facts to analyze reflections and manifestations of the influence of leftist ideas in Hunan. There are three special leftist phenomena in the political field:

1. It was originally stipulated that the 1959 struggle against the right deviation would be carried out only down to the level of the county party committee. However, this struggle was carried out down to the grassroots level.
2. Many cadres, members of the masses and intellectuals were hit hard and persecuted during the Great Cultural Revolution. In eliminating the so-called three sinister lines, a so-called red typhoon was stirred up against leading cadres, former underground party members and those who crossed over to our side. In purifying the class ranks, a number of additional leading cadres and people were mistakenly arrested and imprisoned. All this resulted in a large number of frameups and false and wrong cases.
3. Following the downfall of the gang of four, a new campaign for a personality cult was started under the influence of the two whatevers. Excessive publicity was given to the leader.

Ideologically, leftism manifested itself mainly in the discussion on the criterion of truth. Full of worries and fears, the provincial party committee failed to actively organize and lead this discussion. Thus, it missed a good opportunity to eliminate leftist ideas. This has affected the emancipation of the mind by leading cadres at various levels and the masses, and has caused losses to the province's work in various levels and the masses, and has caused losses to the province's work in various fields which could have been avoided.

Leftist manifestations in economic work mainly include being overanxious for quick results, failing to do what is within our means and setting requirements too high. For example, agricultural mechanization was to be achieved for the most part in 1980. Agriculturally, the provincial party committee had misgivings about instituting the system of responsibility in rice production and pay according to output, thus not approving the system. In so doing, it feared the existing system would be disrupted and individual farming started. The masses asked for instituting the system of responsibility in rice production, but the provincial party committee did not support them and even imposed restrictions in this regard. Later, when the masses instituted this system themselves, the provincial party committee not only failed to lead the masses in a positive way but established some hard, rigid rules. As a result, deviations were inflexibly rectified in a number of localities.

Industrially, the provincial party committee continued to blindly develop some five small industries and commune- and brigade-run enterprises with poor economic results. These industries and enterprises competed with each other for raw materials and their products found to markets. This has increased our difficulties in economic readjustment.

Those attending the meeting discussed ideological questions without mincing words. They made a number of criticisms against the provincial party committee and came up with a number of reasonable suggestions on how to do a better job of economic readjustment, how to consolidate and develop the political situation of stability and unity, how to strengthen and improve party leadership and how to improve the style of leadership.

The enlarged meeting stressed: Leftist ideas cannot be eliminated by holding one or two meetings. Continuous efforts must be made to eliminate these ideas in the spirit of seeking truth from facts and in the course of practical work. The stress of eliminating leftist ideas should be placed on leading bodies, mainly those at or above the county level. Leftist ideas should be eliminated mainly through education conducted according to actual conditions. One should conscientiously eliminate one's leftist ideas by reviewing history and summing up one's work. However, self-criticism is not required to be made at each level; nor is everyone required to pass this test.

The meeting called on various areas, departments and units to effectively grasp the elimination of leftist ideas as a major task in order to eradicate the influence of these ideas, to strengthen their revolutionary unity, to greatly raise their political consciousness and to greatly improve their work style. In this way, they will be better able to uphold the four basic principles, implement the party's line, principles and policies established since the 3d Plenary Session of the 11th CCP Central Committee and do Hunan's work.

HAINAN NAVAL AIR FORCE CADRES TAKE SOLDIER'S OATH

HK280309 Haikou Hainan Island Regional Service in Mandarin 0330 GMT 27 Mar 81

[Text] The organs and detachments of the naval air force stationed in Hainan recently held a gathering at which 580 cadres and fighters took the soldier's oath. Political Commissar (Wang Delian) made a speech after the oath had been taken. He said that cadres and fighters should take the enlistment oath aimed at reviving and carrying forward the army's fine traditions, strengthening the units' political education, cultivating the fine qualities of military men, stimulating every military man to correct his enlistment motive, striving to accomplish the army's program of serving the people wholeheartedly, being always loyal to the party, the motherland and the people, and carrying out the sacred duties of revolutionary military men. He put forward the following demands on conducting education in the soldier's oath in the units:

1. Find out the discrepancies and decide on measures in close connection with reality, and ensure that the demands of the oath are followed at all times and in all circumstances.
2. Leading cadres at all levels must set the example and take the lead in being qualified military men.
3. The education should be closely linked with the activities to learn from Lei Feng, learn from the heroes and models and establish new styles. Military men should have ideals, morals, knowledge and good physique and stress appearance and bearing, courtesy and discipline. Fearless of all difficulties, bloodshed and sacrifice, they should strive to become revolutionary military men with a high degree of spiritual civilization.

BRIEFS

GUANGDONG MARRIAGE LAW--Guangdong radio correspondent (Zhang Shoudong) recently wrote to the station revealing that currently, bigamy and taking concubines are occurring in some areas of Guangdong. In 21 communes and factories in Puning County alone, 21 cases of taking concubines occurred in 1980. Bigamy and taking concubines seriously violates the marriage law and causes women to suffer. Although most of these cases have been handled, some areas are still not paying sufficient attention to them. The departments concerned must pay more attention to them and educate the offenders. [Guangzhou Guangdong Provincial Service in Mandarin 1120 GMT 21 Mar 81 HK]

GUIZHOU MILITARY CADRES TAKE SOLDIER'S OATH

HK280322 Guiyang Guizhou Provincial Service in Mandarin 2319 GMT 27 Mar 81

[Excerpt] According to GUIZHOU RIBAO, the organs and detachments directly subordinate to Guizhou Military District held a gathering to take the soldier's oath on 21 March. Some 1,600 cadres and fighters of the organs and units stationed in the Guiyang area solemnly gathered to take the oath, under the leadership of military district Commander Ren Ying. They pledged their resolve to always remember the soldier's oath, resolutely support the leadership of the party and government, love the socialist motherland and wholeheartedly serve the people.

Military district Political Commissar Zhao Zemang delivered a report on taking the soldier's oath. He said: The soldier's oath stipulates the demands of the state and people on revolutionary military men and is the action principle for every revolutionary military man. Every revolutionary military man must work hard to study the soldier's oath, strive to accomplish the call of the Central Committee and the Central Military Commission, always remember the contents of the oath, appreciate its basic spirit, spontaneously apply the oath to review their own actions, supervise each other in implementing the oath, and strictly follow the demands of the oath.

CHENGDU PLA ADOPTS TASKS TO ELIMINATE LEFTISM

HK300257 Chengdu Sichuan Provincial Service in Mandarin 1100 GMT 28 Mar 81

[Excerpt] In conveying and implementing the spirit of the central work conference, the CCP Committee of the Chengdu PLA units has stressed that guiding leaders at and above regimental level consciously eliminate the pernicious influence of leftism in their thinking and enhance spontaneity to implement the party's line, principles and policies established since the third plenary session.

Since conveying and implementing the spirit of the central work conference, the CCP Committee of the Chengdu PLA units has paid great attention to analyzing and studying the state of mind of the cadres at and above regimental level. Leading comrades of the units have led work groups to investigate and study in the units. They have seen there that the pernicious influence of erroneous leftist ideology remains the chief obstacle to the cadres at and above regimental level in correctly understanding and implementing in depth the party's line, principles and policies established since the third plenary session. Politically, certain cadres are accustomed to applying the conventions of the two "whatevers" to judge between right and wrong. In the field of economic construction, they are impatient for success and like high targets and high speed, together with slogans and plans that are divorced from reality. In work methods, they [words indistinct].

In view of these problems, the Chengdu PLA units CCP Committee proposed that a current major task in political work in the units is to educate and guide the cadres at and above regimental level to spontaneously eliminate the pernicious influence of leftism. The CCP Committee has adopted the following measures in order to do a good job in this respect:

1. To strengthen education in the party's line, principles and policies and in the basic theories of Marxism-Leninism-Mao Zedong Thought. This year they will carry out rotational training of all cadres at and above regimental level in a planned way. The first study course began at the end of February. The courses will integrate study of the central work conference documents with the basic theories of Marxism-Leninism-Mao Zedong Thought. Thus the participants are able to deepen their understanding of the party's line, principles and policies and ensure that they know what these are and why they should be followed.
2. To convene party committee life meetings in all units at and above regimental level, and apply the method of criticism and self-criticism to review and sum up the state of the implementation of the party's line, principles and policies and the existing problems. The Chengdu PLA units CCP Committee has already helped Sizang Military District CCP Committee to hold a life meeting.

YUNNAN STRESSES NEED FOR AGRICULTURAL DEVELOPMENT

HK290533 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 26 Mar 81

[Station commentator's article: "The Primary Task in Economic Readjustment Is To Promote Agriculture"]

[Excerpts] China has scored major achievements in agricultural production in the past 30 years in the wake of the development of the entire national economy. Take Yunnan for instance: In 1978 the province's total grain output was 17.23 billion jin, an increase of 119 percent over the 7.861 billion jin of 1949. After the third plenary session, the rural areas gradually shook off the yoke of leftist ideology, seriously implemented the two central documents on agriculture and the various rural economic policies, and instituted the principle of allowing the masses to catch their breath. This effectively stimulated the enthusiasm of the cadres and peasants. The province gained a relatively great all-round increase in agricultural production in 1980. The great majority of communes and brigades increased production and income.

However, there are still many discrepancies in the province's agriculture compared to the needs of developing the national economy and the demands of carrying out economic readjustment. The grain production level per head is below the national average, while output of cotton, sugarcane, oil-bearing crops and so on is far from satisfying the needs of industrial development and the people's daily life. Forestry, animal husbandry and fisheries are all weak links. Forest cover shows a relatively great decline compared with the early post-liberation years.

This situation determines that we must put agricultural development in the dominant position in economic work. This is the key to carrying out economic readjustment and ensuring the balanced development of the national economy.

The most fundamental thing in promoting agriculture is to fundamentally correct our guiding ideology and eliminate the influence of leftist ideology. We must always embrace and ensure the primary position of agriculture in the entire national economy. On the basis of solving the problem of ideological understanding, we must get a good grasp of work in the following aspects: 1) further implement the agricultural production principles in an all-round way, readjust the internal proportions of agriculture in light of local conditions, and promote all-round development of agricultural production; 2) seriously implement the rural economic policies, strengthen the production responsibility systems and put them on a sound basis on the foundation of stabilizing them, and thus fully mobilize the peasants' enthusiasm for production; 3) take advantage of local superior features.

Most parts of Yunnan can grow two or more grain crops a year. There are great potentials for increasing grain production. The province is a major national producer of industrial crops such as tobacco, tea and sugarcane. This is a great superior feature. The province has 1.1 billion cubic meters of timber reserves; Yunnan ranks fourth in the nation in this respect. This is the province's greatest superior feature in agriculture. The province has 170 million mu of grassy slopes plus 90 million mu of bush and scrub, making a total of 260 million mu suitable for developing animal husbandry. The total tropical and subtropical area is 95,000 square kilometers, representing a tropical resources treasury hard to come by in China.

However, we must also point out that while looking at the province's natural superior features for developing agriculture, we must also look at the disadvantages and unfavorable factors. For instance, there are cold spells and drought 2 years out of 3 in places. This is a weak link in the natural conditions. In addition communications are poor. Some mountain areas are backward and their production and management standards are low. These are all unfavorable factors for developing agricultural production.

We should adopt remedial measures in light of local conditions to ensure that the province's agricultural production conforms better to its natural and economic characteristics. We should achieve greater rationality in production and in cropping areas, to achieve better economic results.

BEIJING WORKS TO CONTROL AIR, WATER POLLUTION

OW271617 Beijing XINHUA in English 1549 GMT 27 Mar 81

[Text] Beijing, 26 Mar (XINHUA)--Water and air pollution has been reduced in this Chinese capital city of 8 million people, according to Gao Yusheng, deputy director of the Beijing Municipal Environmental Bureau. And the city plans to control water, air and noise pollution, he said.

Beijing has partially brought pollution under control in underground water supplies, three large reservoirs and two of its seven main rivers after nearly a decade of efforts to protect the environment, the deputy director said. More than 6,800 of the 11,000 boilers, industrial furnaces and kilns in the city now have installed devices to reduce soot and smoke, he said. In addition, 760,000 of the 1 million households in the city proper have replaced coal with gasoil or coal gas as cooking fuel, reducing the annual emission of soot and smoke by 140,000 tons, he said.

Beijing is actively participating in the nationwide drive to plant more trees and grass, which will help control the springtime dust storms caused by high northern winds that blow across the deserts of Inner Mongolia. In northern Chinese cities such as Beijing, the dust storms are often so bad that the sun is almost blocked from view and the faces of women and children are wrapped in colorful transparent scarves for eye, nose and mouth protection.

The deputy director said the city will place pollution control emphasis on the city proper, an area of 62 square kilometers, during 1981. Under the plan, the city hopes to control one-third of the 661 present polluters, including loud noise makers. Gao Yusheng said low-voice loud-speakers will be popularized to replace air horns on automobiles, buses and other vehicles. Since drivers of vehicles have the right-of-way over bicyclists and pedestrians in Chinese cities, constant horn-blowing can be heard throughout the day in Beijing.

Gao Yusheng also said the city plans to establish several more waste water treatment plants. The present two plants can only dispose of 8 percent of the 1.8 million tons of sewage and industrial waste water. The remainder of the sewage and waste is still discharged into streams and ditches in the city, he said. After completion of these treatment centers, he said, part of the processed waste water from the city will be used to irrigate farmland.

Beijing started to control pollution in 1972. Now an environmental protection network has been established with an environmental protection bureau research institute and a monitoring center to check pollution levels. The 11 districts and counties of the municipality all have established environmental protection and monitoring stations. With the participation of leaders of districts, counties and industrial enterprises, seven water-source protection groups have been organized that check and supervise polluters and help them control pollution, he said.

At the same time, the Beijing Municipal People's Government issued a series of rules and regulations for environmental protection. These documents stipulate that all projects that might cause pollution must install pollution control devices during construction. Such plants may not be built in the city proper or the water source areas of the city. Many existing polluters have been notified that they must control pollution within a stated period of time. Those units responsible for serious pollution accidents must compensate the collective or individual victims for the losses or be fined under the regulations.

Gao Yusheng said that so far 324 of 401 major polluters along the seven major rivers around the municipality have adopted effective measures to bring pollution under control. The total annual discharge of phenol in the municipality has decreased 88 percent; cyanogen, 80 percent; mercury, 97 percent; chromium, 45 percent; arsenic, 87 percent, and cadmium, 85 percent. These six substances are the main pollutants in the water of Beijing, he said.

The capital iron and steel complex, one of the major polluters along the Lianhua River in the western suburb of the city, used to discharge 500 tons of phenol into the river each year. By retrieving and biochemical treatment of the water, the complex's annual discharge of phenol is now less than 10 tons. The plant also recovers furnace scrubber water for heat circulation use, thus saving 15 million tons of water every year. Both steps greatly reduced the discharge of pollutants, he said.

The Beijing chemical experimental works, another big polluter in the city, used to remove hydrosulfide from semi-water gas by the glamarco-vetrocoke process, a method that discharged 35 tons of arsenide into the water each year. The works now desulfurizes semi-water gas by the tannin extract process, a new method developed by the works, solving the problem of arsenide pollution, the environmental bureau official said.

The Shijingshan District, where the capital iron and steel complex is located, is at the upper reaches of Beijing's underground water supply. The layer of topsoil in this area is thin and sandy. In order to prevent the pollution of the underground water by infiltration of industrial waste water, the municipal People's Government allocated 2 million yuan (RMB) to build a 17-kilometer-long canal to empty waste water from the Shijingshan District for farmland irrigation in the Fengtai District where the topsoil is thick and solid. The waste water meets state standards for irrigation, Gao Yusheng said. The canal not only solved the water pollution problem, but also resulted in a 30 percent grain output increase in the Fengtai District, he said.

SHANXI PLA MEETING HITS LEFTISM, OUTLINES TASKS

HK290242 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 27 Mar 81

[Excerpts] The CCP Committee of Shanxi Military District held an enlarged meeting in mid-March to convey and implement the spirit of the all-PLA and Beijing PLA units political work conferences and study the questions of strengthening ideological and political work, clearing away erroneous leftist influences, and resolutely maintaining political unanimity with the Central Committee. The participants resolutely cleared away erroneous leftist influences and enhanced their understanding of the party's line, principles and policies established since the third plenary session. Military District Commander Gen^l Shuming and political commissars [words indistinct] attended.

To effectively eliminate erroneous leftist influences and further correct the line, the military district CCP Committee demanded that the following tasks be seriously grasped:

1. Study repeatedly the documents of the central work conference. It is necessary to integrate this with education in line and get a clearer picture of the consistency and correctness of the party's line, principles and policies since the third plenary session.
2. Grasp education in basic theory. It is necessary to conduct rotational training for cadres at an above regimental level and organize them to study relevant Marxist-Leninist works and works of Chairman Mao and to study dialectical and historical materialism.

They should lay stress on basic viewpoints such as material and [words indistinct], practice as the sole criterion for testing truth, and the role of the masses and of the individual in history, and further correct their ideological understanding.

3. Make a success of holding party committee meetings in units at and above regimental level. It is necessary to carry out criticism and self-criticism in a truth-seeking way, seriously review the situation in implementing the party's line, principles and policies since the third plenary session, sum up experiences and lessons, and emancipate the mind from the bindings of leftist ideology.

4. Step up investigation and study and strengthen ability to resist leftist influences.

5. Get a good grasp of building spiritual civilization. It is necessary to launch extensive activities to learn from Lei Feng and other models and heroes in the units. We must justly and forcefully publicize and uphold the four basic principles, and spontaneously resist corruption by bourgeois ideology [words indistinct].

HUO SHILIAN ADDRESSES SHANXI CYL MEETING

HK270327 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 26 Mar 81

[Excerpts] The Shanxi Provincial CYL Committee held a conference of prefectural and municipal CYL Committee secretaries in Taiyuan from 17 to 22 March. The meeting concentrated on studying how to strengthen the CYL's political and ideological work while implementing the Central Committee's principle of achieving further economic readjustment and political stability.

Provincial CCP Committee First Secretary Huo Shilian and Secretary Jia Jun held a forum with the participants and also made important speeches. Comrade Huo Shilian stressed: Teaching and guiding young people to uphold the four basic principles and cultivating young people into new communist people is the fundamental task in the CYL's ideological and political work.

On the current state of thinking among young people, Comrade Huo Shilian said: The great majority of the 9 million youths and juveniles in Shanxi are good. They actively strive to make progress, love the party and socialism, and are enthusiastic for the modernization drive. There are only a very few young people in society who doubt, waver over and even negate the four basic principles. There are also certain young people who hold that Marxism-Leninism-Mao Zedong Thought is not trendy and do not want socialism and party leadership. This is extremely wrong. The history and present conditions of China show that the socialist road is the sole bright road. There could be no new China without the CCP. This is the truth the Chinese people have learned in the bloody struggles of the past century. There can be no wavering on this point. We must seriously and patiently carry out criticism and education for young people whose thinking is erroneous.

Comrade Huo Shilian said: In carrying out education in the situation for young people, the CYL should let them know that the current situation in the country is very good and also that there is a potential crisis. The state's finances are in deficit, the task of readjustment is very arduous, a number of enterprises have to be closed, halted, amalgamated or shifted to other production, and the improvement of people's living standards can only be gradually carried out in feasible conditions. We must advocate the spirit of shouldering the state's difficulties and helping to solve them. We should also conduct education for young people in patriotism and in the superiority of socialism, and further launch activities to learn from Lei Feng, establish new styles, stress five things and practice four beautifuls. While learning all foreign things that benefit our country, we must resist corruption by decadent bourgeois ideology and vigorously advocate the spirit of struggling hard amid difficulties, relying on our own efforts, overcoming difficulties, and bearing the overall situation in mind.

The participants seriously studied Comrade Huo Shilian's speech. They fully understood the importance and urgency of strengthening the CYL's political and ideological work.

JILIN RIBAO RETRACTS STORY ON FORESTRY CIRCULAR

SK280233 Changchun Jilin Provincial Service in Mandarin 2200 GMT 27 Mar 81

[Text] JILIN RIBAO on 28 March carries an important notice announcing the withdrawal of the circular issued by the provincial CCP Committee and the provincial People's Government on implementing the decision of the party Central Committee and the State Council on protecting forests and developing forestry. The circular was only a draft plan drawn up by the department concerned. We mistakenly took it as a circular and printed it in the 26 March issue of JILIN RIBAO. We hereby announce the withdrawal of the circular.

BRIEFS

HEILONGJIANG POPULATION REDUCTION--Heilongjiang Province has scored remarkable achievements in family planning work. The number of babies born in 1980 was some 299,000 less than in 1979. The population growth rate declined from 10.14 to 8.64 per thousand. According to statistics, there were some 4,131 million fertile married women in the province. Some 3.7315 million of these women began to follow the birth control plan. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 24 Mar 81 SK]

JILIN PEOPLE'S INCOME--According to statistics compiled by the end of 1980, the average worker's income for living expenses in urban areas in Jilin Province was 30.79 yuan per capita as against 16.77 yuan in 1965. The number of persons a worker has to support has declined from 3.68 persons in 1965 to 1.9 persons. In every 100 workers' families, there were 222.8 wristwatches, 129.9 bicycles and 14 televisions. [Changchun Jilin Provincial Service in Mandarin 1100 GMT 22 Mar 81 SK]

LIAONING FINANCE FORUM--The Liaoning Provincial Finance Office held a provincial forum on enterprise finance to map out plans for achieving a balance between revenues and expenditures this year. The forum urged efforts to produce more light industrial, textile and electronic products which enjoy sales to increase revenues. Since 69 percent of the province's revenue comes from metallurgical, petroleum and machinery departments, the forum called on them to conserve more energy and raw materials and reduce production costs. It also urged that management funds and workshop funds of industrial enterprises be 20 percent and 10 percent, respectively, lower than in 1980. (Jiang Jing), provincial finance office director, and Chen Puru, provincial governor, spoke at the forum. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 21 Mar 81 SK]

LIAONING MACHINERY CONFERENCES--Representatives from all over the country attended a conference sponsored by the First Ministry of Machine Building and the State Supply Bureau to place orders for machinery products, which are distributed under the unified state plan, and some ministry-distributed machinery products and a conference sponsored by the First Ministry of Machine Building to place orders to some electrical products and cranes. Both conferences opened in Shenyang, Liaoning, on 21 March. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 21 Mar 81 SK]

LIAONING LIGHT INDUSTRY--In 1981 the light industrial output of industries in Liaoning Province will increase from 31.8 percent to 36 percent. From this the province will be able to save 900,000 tons of coal annually. Since 1980 the province has granted 30 million yuan for 266 exhaust heat-utilization projects, including 21 stations using exhaust heat to generate power. These exhaust heat power stations which have been completed or are being built have a combined annual capacity of 400 million kWh. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 22 Mar 81 SK]

GANSU CONGRESS ADOPTS PLAN, BUDGET RESOLUTION

SK300905 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 29 Mar 81

[Text] The seventh session of the fifth provincial People's Congress Standing Committee concluded on the afternoon of 28 March. The session adopted a resolution on approving the province's 1981 economic plan and the 1981 budget. The resolution reads:

Being authorized by the third session of the fifth provincial People's Congress, the seventh session of the fifth provincial People's Congress Standing Committee heard and discussed the report made by Wu Junyang, deputy provincial governor, on the implementation of the 1980 economic plan and on the draft of the 1981 economic development plan. The session also heard and discussed the report given by Xu Feiqing, deputy provincial governor, on the 1981 financial income and expenditures plan. Having examined the drafts of the 1981 economic plan and the 1981 financial income and expenditures plan, the session agreed with the reports and adopted the 1981 economic plan and the 1981 financial income and expenditures budget. In addition, the session instructed the provincial People's Government to draw up specific measures in this regard and supervise various departments and people's governments at all levels throughout the province to earnestly implement these measures.

The resolution points out: The implementation of the 1980 economic plan and the 1980 budget was good and in keeping with the principle of further readjusting the economy. The current economic situation, especially the rural situation, is good. However, there are still many difficulties. For example: The production of some major enterprises and of some major products decreased and light and textile industries have developed slowly, thus having an adverse effect on financial incomes. The consumer goods supplied at markets are far from meeting the people's purchasing power. A lot of work still needs to be done to make proper arrangements for those projects and enterprises which were closed, suspended, incorporated or transferred, and to further solve the employment problem. Therefore, only through arduous effort can we fulfill the 1981 economic plan and the 1981 budget, achieve financial and credit balance, and basically stabilize market prices.

The session urged the people of various nationalities throughout the province to enhance their revolutionary vigor, unite as one and arduously struggle under the guidance of the party Central Committee's lines and principles and under the leadership of the provincial CCP Committee and People's Government in order to further readjust the economy, achieve greater political stability and promote production.

The session also approved the letter sent to all deputies of the fifth provincial People's Congress from the provincial People's Congress Standing Committee and some appointments and removals.

Wang Shitai, chairman of the provincial People's Congress Standing Committee, presided over the session. Attending the session were Liu Haisheng, Li Peifu, Gao Jinchun, Meng Dingjun, Qiang Zixiu, Wu Hongbin, Sun Runhua, Li Shenghua, Wu Zhiguo, (Liu Lanting), (He Jianshan) and (Yang Shixin), vice chairmen of the provincial People's Congress Standing Committee. Attending the session as observers were Xiao Jianguang and Xu Feiqing, deputy provincial governors; Lin Bing, deputy president of the provincial Higher People's Court and (Zhao Shengting), deputy procurator of the provincial People's Procuratorate. Also attending the session as observers were responsible persons of the provincial People's Government and responsible persons of the People's Congress Standing Committees of Lanzhou and Jiayuguan Municipalities and Gannan Tibetan and Linxia Hui Nationality Autonomous Prefectures.

BRIEFS

XINJIANG TRADE CONFERENCE--A Xinjiang regional import-export work conference was held recently. The conference called for efforts to increase production of exportable products and expand exports to earn more foreign exchange and support the four modernizations program. The conference pointed out that it is necessary to strengthen import and foreign exchange control. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 24 Mar 81 OW]

ZHAO ZIYANG CALLS FOR MORE CONSUMER GOODS

HK271100 Hong Kong TA KUNG PAO in Chinese 27 Mar 81 p 1

[Dispatch from Beijing: "Zhao Ziyang Urges Developing Consumer Goods and Stresses Primary Attention To Raising the People's Standard of Living"]

[Text] In the further readjustment of the national economy, the State Council has paid unusually great attention to developing the light and textile industries, in order to satisfy the people's ever-increasing needs for consumer goods. In February, the Ministry of Light Industry and the Ministry of Textile Industry successively called national conferences of department heads and bureau chiefs to study plans on how to energetically do a good job of readjusting and increasing the production of light industrial products and textile goods to meet the needs at home and abroad. On 13 March, the State Council called a special conference to discuss plans for increasing production of light industrial products.

According to information obtained by this correspondent from the quarters concerned, this conference was personally presided over by Zhao Ziyang. Present at the meeting were Wan Li, Yao Yilin and many other vice premiers. After elaborate discussions, plans for increasing production of 28 main light industrial and textile products were approved. These products are urgently needed by the people and are salable items which are in great demand at home and abroad. Many of them are high-quality famous brands and high- and medium-grade products, such as bicycles, sewing machines, washing machines, leather shoes, glassware for everyday use, furniture, cigarettes, wines, cotton and woolen goods, chemical fibers, silk, clothing, and so forth. Arrangements were also made for consumer goods in rural markets, articles appealing to tourists and daily necessities for minority nationalities. Materials and funds needed to increase production of these products have been taken care of by the various departments concerned.

It was learned that Zhao Ziyang gave many important instructions at the conference. He pointed out: China must follow the road of developing consumer goods. In formulating long-term plans, we must first take a higher standard of living for the people into consideration. The development of our agricultural production will provide ever more plentiful resources for the light, textile and foodstuffs industries. We must make full and rational use of agricultural resources at home. Heavy industry must also be restructured. This will change the direction of its service and enable it to better provide various raw materials for light industry. The machine building industry must provide more machinery and equipment for the technical transformation of light industry and its development. With the development of light industry to produce consumer goods, the people's standard of living can be improved and the financial revenue can also be raised. Thus, the contradictions between construction and the people's livelihood will be lessened. There are at present two major weak links in our economy. The first is an inadequate output of consumer goods. The second is backwardness in the development of energy resources, communications and transport. In developing the production of consumer goods, we must make use of existing enterprises which can be readjusted, reorganized, merged and technically transformed. Not much money needs to be invested. With this problem solved, we can concentrate our forces on exploring energy resources and developing communications and transport. We will spend 4 or 5 years readjusting the national economy. With the national economy put on the right track, a quick pace can be achieved in the last 4 or 5 years of the 1980's. Thus, the whole national economy can develop more quickly.

CHINA TO ANNOUNCE NEW INVESTMENT PROJECTS

HK270604 Hong Kong WEN WEI PO in Chinese 25 Mar 81 p 3

[WEN WEI PO correspondent Cheng Hsiang's special dispatch: "China To Announce New Investment Projects"]

[Text] Hangzhou, 24 Mar--At today's session [of the world economic seminar], Ji Chongwei [member of the State Council's Import/Export Commission and Foreign Investment Control Commission] announced China's current emphasis on absorbing foreign capital, saying: In absorbing foreign capital during the early part of the eighties, China will stress the following: 1) the exploitation of energy resources including petroleum, coal and electric power; 2) the building of basic facilities and installations for our railways, ports, telecommunications units, building materials industry, cities and industrial areas; 3) the promotion of those medium-sized and small-sized light industry, textile, chemical industry, metallurgical, mechanical, electronic and tourism projects which are characterized by small investments and quick returns and are also capable of expanding export business and increasing foreign exchange earnings; 4) the promotion of technological innovations and transformation of existing enterprises; 5) the promotion of those originally planned projects which were postponed or stopped due to lack of funds.

He added: Before 1985, China will reduce the number of new projects as far as possible and will emphasize organizing over 300,000 existing industrial enterprises to tap potentials and carry out technological innovation and transformation.

In addition to the above-mentioned points, he also disclosed that China has classified foreign capital projects into two types. The first type refers to those large-scale projects with long construction cycles and relatively small profits and also to those projects which will not bring in foreign exchange earnings. Such projects include port, railway, communications, power station, farming, forestry, water conservancy and educational projects. With regard to investments in the first type of projects, China will make the widest possible use of long-term low interest or interest-free loans and the Chinese Government will guarantee paying them back. The second type refers to those relatively small-scale projects with relatively short construction cycles and also to those large-scale projects with long construction cycles which can produce huge profits and bring in foreign exchange earnings. Such projects include oil field exploitation, coal mining, engineering industry, chemical industry, light industry and tourism projects. Every method of absorbing foreign capital can be regarded as following the principle of one who borrows money should be responsible for paying it back. This means using profits from one's project to pay debts and bonuses. Part of the output of joint ventures run by the Chinese and foreigners must be exported in order to get foreign exchange earnings to pay for imported raw and processed materials, bonuses for foreign investors and wages for foreign personnel and also to achieve a balance between foreign exchange earnings and foreign exchange expenditures within such joint ventures.

He further disclosed that the UN Industrial Development Organization will hold an investment promotion meeting for China in Beijing in April 1982. During the meeting, China will announce some investment projects for foreign investors to choose from.

At today's session, Ji Chongwei emphatically clarified several matters of interest to foreign businessmen. First, he noted: China offers wide-ranging prospects for foreign industrial and business investors. This is because China is a country with a vast territory. It is rich in natural resources and has a very large population. It is a large market. The country has political stability and unity and is currently working for the four modernizations, thus having ideal conditions for making investments.

On the premise that upholding self-reliance should be primary and that striving for foreign exchange earnings should be supplementary, China has adopted a liberalized policy on economic relations with foreign countries and actively cooperated with various countries in the economic and technological field. This is not an expedient measure. This is actually a long-term strategic policy decision.

Second, China will not confiscate or requisition foreign investments. China has signed an agreement with the United States on investment insurance and investment guarantees. China will sign similar agreements with West Germany, Canada, Japan, Sweden, Switzerland and France.

Third, China will perfect its economic legislation in order to dispel foreign investors' fear of China's changeable policy and their fear that there is no law to rely on.

Ji Chongwei reiterated China's four points concerning its policy on absorbing foreign capital: 1) make self-reliance primary and striving for foreign exchange earnings supplementary; 2) uphold the principle of equality and mutual benefit and guarantee Chinese and foreign rights and interests; 3) create good conditions for foreign investors to make investments and adopt the following measures: establish special economic zones, strengthen transport capacity for promoting economic and trade relations with foreign countries, actively solve problems in power supply and establish trust and investment companies; 4) attach importance to giving full play to the economic results of investments, guarantee ability to repay and guarantee rational profits.

PRC FINANCIAL OFFICIAL ON OVERCOMING DEFICITS

HK270907 Hong Kong WEN WEI PO in Chinese 27 Mar 81 p 1

[Correspondent Cheng Hsiang's [94453 5046] dispatch: "Great Potentials in China's Revenues"]

[Text] Hangzhou, 27 Mar--Shen Jingnong, deputy director of the Financial Science Institute under the Ministry of Finance, systematically expounded on the causes of the large deficits produced in the past 2 years in his answer to questions raised by Western scholars at the world economy seminar in Hangzhou. China's deficits totaled 29.1 billion yuan in the past 2 years. However, he also pointed out that China has great potentials in revenues and is fully capable of eliminating the deficits.

He said: It takes more than 1 cold day for the river to freeze 3 feet deep. To begin with, in our effort to muster capital construction funds which were beyond our national capability, we were forced to make sacrifices in agriculture, light industry, science, education, culture, public health and other undertakings. This greatly weakened our financial foundation and led to difficulties in balancing revenues and expenditures in the years to come. Second, the 10 years of turmoil destroyed production and caused national income to drop by a large margin. During the 10 years of the Cultural Revolution, several hundred billion yuan was lost in national income. Third, losses suffered by enterprises doubled as a result of violations of existing rules and regulations. As a result, since 1974 deficits occurred for 3 consecutive years. In short, deficits did not start in recent years.

In 1977 and 1978 after the downfall of the gang of four, the national economy recovered very quickly. As a result, revenues increased by a large margin and cash surpluses were registered in these 2 years. As the financial situation changed slightly for the better, we began to raise unrealistically high-sounding slogans and greatly extended the scale of capital construction which was already quite beyond our national capability. For example, in 1978 capital construction registered a sharp increase of 50.2 percent over the previous year, greatly surpassing the 12.4 percent growth rate in national income and the 28.2 percent growth rate in revenues. The scale of capital construction became unprecedentedly large.

Things have not changed for the better since the 3d Plenary Session of the 11th CCP Central Committee and the scale of capital construction continues to grow. In 1978, capital construction outlays amounted to 47.9 billion yuan. In 1979, it rose to 50 billion yuan and in 1980 rose further to 51.8 billion yuan. In 1979 alone, capital construction expenditures exceeded the budgeted figure by 10.4 billion yuan, causing a big strain on the state finances. Moreover, because of the increase in the workers' wages and in the prices of farm products, state revenues fell short by 17.3 billion in 1979 and by 32.5 billion yuan in 1980. These are the long-term and immediate causes of the large deficits which occurred in 1979 and 1980.

However, he also pointed out that China's deficits are different from those of Western countries in two ways: First, China's deficits occurred because of economic errors rather than as a result of adopting deficit financing. Deficits are not inherent in the socialist system. Second, since China has not adopted deficit financing, when deficits do occur, it will take every possible step to eliminate them. All in all, China's deficits are not continuous in nature, quite unlike those in countries which have deficit financing.

He pointed out: China is fully confident that it can eliminate the deficits. First, it has great potentials in revenues. He said: If we can produce 34.8 yuan in tax revenues and profits out of every 100 yuan worth of output value as we did during the first 5-year plan instead of only 25.9 yuan in 1979, we could have earned an additional 27 billion yuan in tax revenues and profits in 1979 alone. Had we done that, we would not only not have incurred any deficits but would have had a fairly large cash supply. In capital construction, if we can produce a national income of 35 yuan out of every 100 yuan of accumulation as we did during the first 5-year plan, we could have earned an additional 170 billion yuan of national income and 50 billion yuan of revenues in 1978 alone. That is why I say that there are great potentials in China's revenues.

Second, our experience in overcoming runaway inflation left over from old society shortly after the founding of the PRC and in making readjustment in the early 1960's is of great help to us in our present endeavors.

Third, we have overcome leftist mistakes in economic work and corrected our guiding ideology in economic construction. These three factors will guarantee that China will be able to overcome its financial difficulties and eliminate deficits.

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31 March 1981

